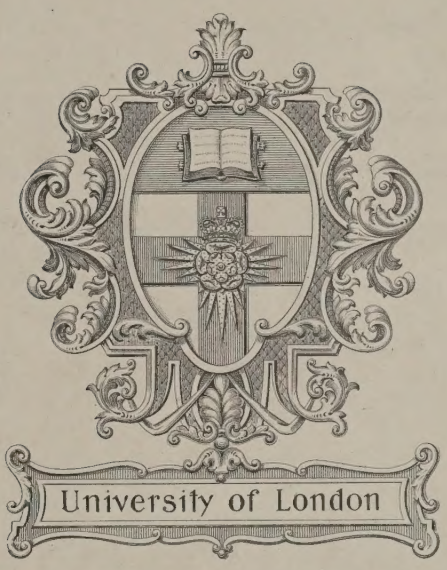
University of London

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REPORTS

FROM

COMMITTEES:

EIGHT VOLUMES.

— *(1.)* —

ACCOUNTS, PUBLIC;
BRINE PUMPING (COMPENSATION FOR SUBSIDENCE) BILL;
BRITISH AND FOREIGN SPIRITS;
CHILDREN'S LIFE INSURANCE; COLONISATION.

Session
25 *November* 1890 —— 5 *August* 1891.

VOL. XI.

1890-91.

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1890-91.

EIGHT VOLUMES:—CONTENTS OF THE

FIRST VOLUME.

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FIRST

REPORT

FROM THE

COMMITTEE

OF

PUBLIC ACCOUNTS;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

AND

MINUTES OF EVIDENCE.

Ordered, by The House of Commons, *to be Printed,*
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21, DRURY STREET, GLASGOW; or
HODGES, FIGGIS, & Co., 104, GRAFTON STREET, DUBLIN.

107.

Committee of Public Accounts.

Ordered,—[*Wednesday, 4th February* 1891]:—That the Committee of Public Accounts do consist of Twelve Members.

Committee nominated—of—

Sir Ughtred Kay-Shuttleworth.	Sir John Lubbock.
Mr. Barran.	Mr. Arthur O'Connor.
Sir Walter Barttelot.	Mr. Salt.
Mr. Sydney Buxton.	Sir Richard Temple.
Mr. Crawford.	Mr. Webb.
Mr. Jackson.	Mr. Wodehouse.

That the Committee have power to send for Persons, Papers, and Records.

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FIRST REPORT.

THE COMMITTEE of PUBLIC ACCOUNTS have made progress in the Matters to them referred, and have agreed to the following FIRST REPORT:—

CIVIL SERVICES.

CLASS II.

VOTE 20.—PAYMASTER GENERAL'S OFFICE.

1. THE Expenditure has exceeded the Grant by 102 *l.* 12 *s.* 3 *d.*, mainly in consequence of payments to Lower Division Clerks of arrears of salary. The Treasury authorised the payments if money should be available. And in the Paymaster General's Office the fact that this condition was not fulfilled was overlooked. Q. 1-8.

CLASS III.

VOTE 6.—COUNTY COURTS.

2. On this Vote a deficit has again occurred. This year it amounts to 5,780 *l.* 4 *s.*, and is due to a larger increase in County Court business than was anticipated when the Supplementary Estimate was submitted. The basis upon which any Supplementary Estimate will be framed, which may be necessary under this head, has been recently amended; and there is reason to hope that similar excesses may thus be avoided in future. Q. 20. Q. 25.

VOTE 22.—COURT OF BANKRUPTCY, IRELAND.

3. There is a net deficit of 2 *l.* 14 *s.* 8 *d.*, which would not have arisen but for a payment of 70 *l.* 5 *s.* as compensation, &c., for injuries to the Court-keeper, caused by an explosion of gas in the offices of the Court. Q. 49.

18 *February* 1891.

PROCEEDINGS OF THE COMMITTEE.

Wednesday, 18th February 1891.

MEMBERS PRESENT:

Sir Walter Barttelot.
Sir Ughtred Kay-Shuttleworth.
Mr. Arthur O'Connor.
Mr. Webb.
Mr. Barran.
Mr. Sydney Buxton.
Mr. Jackson.
Mr. Donald Crawford.
Sir John Lubbock.

Sir UGHTRED KAY-SHUTTLEWORTH, was called to the Chair.

The Excesses on Vote 20 of Class II, and on Votes 6 and 22 of Class III. of the Civil Service Appropriation Accounts, 1889–90, were considered.

Sir *Chas. L Ryan,* K.C.B., Mr. *Spring Rice,* and Mr. *Henry Nicol,* were examined.

DRAFT REPORT proposed by the *Chairman*, read the first and second time, and *agreed to.*

Question, That this Report be the First Report of the Committee to the House,—put, and *agreed to.*

Ordered, To Report, with Minutes of Evidence.

[Adjourned till Wednesday next, at Two o'clock.

MINUTES OF EVIDENCE.

Wednesday, 18*th February* 1891.

MEMBERS PRESENT:

Mr. Barran.
Sir Walter Barttelot.
Mr. Sydney Buxton.
Mr. Donald Crawford.
Mr. Jackson.
Sir Ughtred Kay-Shuttleworth.
Mr. Arthur O'Connor.
Mr. Alfred Webb.
Sir John Lubbock.

SIR UGHTRED KAY-SHUTTLEWORTH, BART., IN THE CHAIR.

CIVIL SERVICE APPROPRIATION ACCOUNTS, 1889–90.

Sir CHARLES LISTER RYAN, K.C.B., and Mr. STEPHEN EDWARD SPRING-RICE, called in; and Examined.

CLASS II.

EXCESSES ON GRANTS.

ON VOTE 20.

PAYMASTER GENERAL'S OFFICE.

Chairman.

1. (To Mr. *Spring-Rice.*) I SEE that an excess of 102 *l.* and odd has occurred upon Vote 20; is it the case that the reason why there was no Supplementary Estimate in this instance was because the Order in Council authorising the payments to Lower Division Clerks of arrears of salary was only issued on the 21st of March 1890?—The explanation is perhaps given more clearly in the printed Paper explaining the excesses which is before the Committee than by the Accounting Officer.

2. I understand that the Order, which was the Treasury authority for making the payments, was only made on the 21st of March 1890?—Yes; the Order in Council was dated the 21st of March, and about the same date the Treasury issued a circular respecting it, but that circular states that the payments should not be made unless there was money available on the Vote.

3. Then how came the payment to be made?—I am afraid it was made through an oversight in the Paymaster General's Office. I may mention that this Vote is one of those which is now included in the Treasury Vote.

4. And this is the last time it will come before the Committee as a separate account, is it not?—Yes.

Chairman—continued.

5. (To Sir *C. L. Ryan.*) Have you any observation to make with regard to this point?—No.

Mr. *Arthur O'Connor.*

6. (To Mr. *Spring-Rice.*) Are we to understand that the Treasury directed that this allowance to Lower Division Clerks was, as regards 1889-90, to be contingent upon the original Vote being adequate?—No; it was the payment before the 31st of March that was contingent on there being money available. The payment of arrears of the additional salary was made in all departments and to all Second Division Clerks, sooner or later, either in March or April, according as the money was available.

7. What I want to know is this: a certain allowance being given to Second Division Clerks under an Order in Council of the 21st of March, was the payment of that allowance for the remainder of that financial year by the Treasury made contingent upon the Vote already taken being sufficient to meet it?—No; not the payment for the year, but the payment within the year of what was due to them for the year. The Treasury could not admit that payment was to

Appropriation Accounts—Class II.

Vote 20.—Paymaster General's Office—*continued.*

Mr. *Arthur O'Connor*—continued.

be made with the known result of causing excess upon a Vote.

8. Then how would the Treasury have provided for the payment; would they have paid in the following financial year arrears belonging to the previous year?—Yes, if it was not possible to pay it in the then current year.

9. Would that have been regular?—It was not irregular; and to have knowingly caused an excess upon a Vote would have been, in the highest degree, irregular.

Mr. *Jackson.*

10. I suppose this happened at a time when it was not possible to take a Supplementary Estimate?—Yes; in the closing days of March.

Mr. *Arthur O'Connor.*

11. Would it have been regular for the Treasury to have paid in the year 1890–91 an allowance which was voted or granted within the previous financial year?—I see no irregularity in that.

12. Out of money voted only for the later year?—Yes; the honourable Member will remember that no provision was or could have been made for this back payment in the earlier year.

13. (To Sir *C. L. Ryan.*) Is the Comptroller and Auditor General satisfied with the answers on this point?—Yes; the Comptroller and Auditor General is satisfied for this reason: there was no specific Vote taken for this payment at all. It was a payment which came in course of payment in this year under an Order in Council, but which had not been provided for in the Votes, and therefore had not been appropriated, so to speak, by Parliament, to any specific year; and therefore the division of the two years in the various departments was not, in my opinion, an irregular act under the authority of the Treasury. If the Vote had contemplated the payments, then the deferring of it would have been a thing which I should have noticed in every instance in which it occurred; but the Vote did not contemplate this payment at all.

Appropriation Accounts—Class II.

Vote 20.—Paymaster General's Office—*continued.*

Mr. *Arthur O'Connor*—continued.

14. And therefore——?—And therefore it was legitimate to charge it to the year in which the Treasury directed it to be charged if there were funds, and it was legitimate also to charge it to the next year if there were funds, it in no case having been foreseen, or provided, or appropriated by Parliament.

Mr. *Barran.*

15. But in this case, not having been provided, it was paid out of the current year instead of being deferred to the following year?—In this year it was, contrary to Treasury directions, but not contravening any Parliamentary instructions, so to speak.

Mr. *Arthur O'Connor.*

16. But was the directions which the Treasury gave, being contingent upon in its form, according to the usual practice?—No; the usual practice is, of course, to pay the whole sum together, and not to divide sums. This is a very exceptional thing, and I think one that is only justified by the fact of its coming in course of payment so near the end of the financial year. The departments could not provide by a Supplementary Estimate for it. It would have affected almost the whole service, because it was paid in almost every office.

Mr. *Barran.*

17. (To Mr. *Spring-Rice.*) Was this payment in the Paymaster General's Office made through ignorance of the instructions of the Treasury?—I think it must have been made through an oversight within the Pay Office.

Mr. *Alfred Webb.*

18. What is the character of the savings that fell short?—There was an actual saving on the sub-head for Incidental Expenses, and they thought there would bo some further saving on other parts of the sub-head for Salaries. There were vacancies and changes in the staff in the course of the year, and some cases of sick leave which affected the total.

Class III.

On Vote 6.

County Courts.

Mr. Henry Nicol, called in, and Examined.

Chairman.

19. I see that this year, again, there is a large excess upon this account, and it appears that the mode of framing the Estimate has been defective, but that it is intended to frame the Estimate in a different manner in future, especially Supplementary Estimates, making use of the knowledge

Chairman—continued.

which is acquired by examining the unaudited expenditure of the department; is that so?—Yes.

20. Why has that unaudited expenditure not been taken into consideration before when you have come to Parliament with a Supplementary Estimate?

Appropriation Accounts—Class III.

Vote 6.—County Courts—*continued.*

Chairman—continued.

Estimate?—It has never been the practice to frame the Estimates upon any but the figures in the Accounting Officer's Department, and that represents, as I have stated in a long explanation, really the expenditure of the Courts up to the 30th June, when I have to make the Estimate. It was only last year that it was suggested that we might utilise the unaudited returns.

21. That will enable you to frame your original estimate more correctly, will it not?—Yes.

22. But in the year in question, for example (the year 1889–90), you came to Parliament for a Supplementary Estimate of 9,068 *l.*, which proved altogether insufficient to the extent of 5,780 *l.*?—Yes.

23. What I wanted to ask was, how it came to pass that in framing that Estimate you did not take into consideration the unaudited expenditure, when it is explained in these Accounts that if that had been taken into account the Supplementary Estimate would have been a close one?—Because until the time I mentioned, it was never even thought of to utilise the returns of the unaudited expenditure. We only made our Estimate upon the Accounts in our own department. The unaudited returns are sums that will have to be paid or may have to be paid during the succeeding three months.

24. Do you think by taking that unaudited expenditure into consideration, you will be able to form a close estimate in future, and to avoid coming to Parliament for an Excess Vote?—I am afraid not. I have made the Estimate of 1891–92 as suggested upon the unaudited returns that have come in for the quarter ending the 31st of December, and from them I have been able to tell as far as I can possibly tell that I shall not want a Supplementary Estimate this year. I have added to the Estimate, the consideration of which was postponed till I had got in the returns for the 31st of December and the new Estimate submitted, and even then I could not undertake to say that they are correctly estimated for 1891–92, and therefore of course to a certain degree there would be an uncertainty as to a Supplementary Estimate being necessary. To take one instance which I mentioned on account of the severe weather, there had been no doubt an immense deal of credit given, and the consequence would be that next year the plaints may go up 60,000 or 100,000 in number.

Mr. *Jackson.*

25. I am not quite sure you have apprehended the point of the Chairman's question; would it not be a better illustration if, instead of speaking of the Estimate for 1891–92, you spoke of the Estimate for 1890-91. The point, as I gather, of the Chairman's question is, whether by making use of these unaudited Accounts, and the information which they supply, you will be able to avoid an Excess Vote for the year 1890–91?—

Appropriation Accounts—Class III.

Vote 6.—County Courts—*continued.*

Mr. *Jackson*—continued.

I hope that would be so; I have examined them, and I think that instead of an Excess Vote there will be a surplus, and I have so reported.

26. The information which is obtained from the unaudited expenditure gives you, in fact, nine months of expenditure in the course of the year, instead of your relying, as you did before, upon practically six months?—Quite so.

27. But you further point out that this Vote is so liable to fluctuations, and even in short periods of time to violent fluctuations, that when you make your calculation, say, even so late as January, with the information which is supplied for the nine months, you can still have no certainty that in the three months remaining of the year there may not be a fluctuation that will even put your calculations out?—That is so.

Mr. *Donald Crawford.*

28. I do not quite understand what the cause of the fluctuations is; I dare say you will very easily explain it to me; is it the larger amount of business in the County Court?—Yes.

29. That causes a larger expenditure even in salaries?—Yes.

30. How does that arise?—Because the registrars are paid 100 *l.* for the first 200 plaints that are entered in their courts; then 4 *l.* for every 25 *l.* entered, until the number of plaints reaches 6,000, and then they are paid by a fixed salary, with an allowance for clerk hire. Until the number reaches 6,000, the registrars have to pay out of their gross salary for their clerk hire; and the high bailiffs follow in much the same way.

Mr. *Alfred Webb.*

31. The extra amount for printing and stationery appears very high?—Yes; I think I have explained that; it is on account of the new rules and forms that were made under the County Court Act of 1888.

Mr. *Arthur O'Connor.*

32. I was just going to ask you about that. The County Court Act of 1888 throws a good deal of work upon County Courts which used to be done in the Superior Courts. All actions under 100 *l.* are now removed or removeable to County Courts, are they not?—Prior to the County Court Act of 1888 the Superior Court could remit to a County Court actions of contract where the amount claimed did not exceed 50 *l.*; by the Act of 1888 the 50 *l.* was increased to 100 *l.*; therefore the increase of business in the County Courts is between 50 *l.* and 100 *l.*, so that we have about 600 cases more than we did before 1888.

33. And those are the largest cases now in the Courts?—Yes, I suppose so; but I do not know in each case the amount for which the case was remitted.

34. But the remitted cases are always the heaviest cases, are they not, because they are cases which in the first instance are taken into

Appropriation Accounts—Class III.

Vote 6.—County Courts—*continued.*

Mr. *Arthur O'Connor*—continued.

the Superior Court?—Yes; I forget how many were remitted; I think it was some 1,300 or 1,400; but out of those how many were above 50 *l.*, which, prior to the County Court Act of 1888, could not have been sent to the County Court, I do not know, as that information is not given.

35. Then it is no use for me to ask you what effect from a financial point of view upon the County Courts would have been produced by the County Court Act of 1888?—Supposing that out of 1,400 cases, 700 came in consequence of the Act of 1888 (which would be the utmost limit), that would bring in 1,400 *l.* additional to the fees of the County Court, it being 2 *l.* on each hearing.

36. Those are the receipts?—Yes; the Government fees.

37. How would it affect the expenditure?—Remitted cases are not counted as plaints, and therefore they do not increase the expenditure.

Mr. *Donald Crawford.*

38. How is it that the income from the fees does not increase with the increase of business to a sufficient extent to balance the increase of expenditure?—It used to at one time, and I have thought it necessary to give a very long explanation to the Comptroller and Auditor General, which is printed in the Appropriation Accounts.

Mr. *Jackson.*

39. That is a very important point, and perhaps you would just give the honourable Member very shortly the answer, which is that the fees depend upon the amounts of the cases?—The fees depend upon the amounts sued for, and the amount sued for per plaint has been dropping for some years. In 1881 the number of plaints was within a few hundred of what it was in 1889, and the amount sued for per plaint was 3 *l.* 2 *s.*; in 1889 the amount sued for was 2 *l.* 16 *s.* 11 *d.*, and it has reduced the extra receipts, as I have stated in the explanation printed in the Appropriation Accounts, from 431,845 *l.* in 1881 to 412,000 *l.* in 1889.

Mr. *Donald Crawford.*

40. Then, as I understand, the number of plaints has increased?—No; for 1889 there are about 600, or 500 less than there were in 1881.

Appropriation Accounts—Class III.

Vote 6.—County Courts—*continued.*

Mr. *Donald Crawford*—continued.

41. But in last year they have increased, as I understand, or else how has the extra expenditure arisen?—For 1891 they are pretty nearly the same as in 1889.

42. But I understood you to tell me that the cause of the extra expenditure was the increase of business?—Yes, the increase in the number of plaints.

43. So I understood, but I thought you did not assent to that just now?—I said the amount for which the plaints are entered has decreased. Instead of the average amount of the plaint being 3 *l.* 2 *s.* it has dropped to 2 *l.* 17 *s.*

44. Was I right in supposing that the number of plaints has increased, which was the question I originally asked you?—Not as compared with the number in 1881, which is the year I have been speaking of, but taking 1888 and 1889 they were increasing; they had got down to 951,000.

45. I am afraid I have not made myself clear. You say the cause of the increase of the expenditure is the increase of business, by which I understood you to mean the increase in the number of plaints; is not that so?—Yes.

46. That is all I want to get at present. I do not know whether you feel that you can give me an opinion about this point, but I will ask you; do you think it is a good system if the increase in the number of plaints is not accompanied by a corresponding increase in the fees, so as to balance the increase in expenditure; or to put the question in another form, do you think it right that the amount of the fees should depend exclusively on the amount claimed, or do you not think that it also ought to depend on the number of plaints to a sufficient extent to meet any increase of expenditure?—The fees now are considered out of doors very heavy. It is 1 *s.* in the pound, 5 per cent. upon the entry of the plaint, and 10 per cent. upon the hearing, and I fear there would be very great difficulty in increasing the fees.

47. In small cases?—In small cases.

Sir *Walter Barttelot.*

48. Is it not a fact that at this present moment there are enormous complaints of the high fees as at present existing in these small plaints?—I have not heard them; they do not come to me.

Class III.

On Vote 22.

Court of Bankruptcy, Ireland.

Chairman.

49. (To Mr. *Spring Rice.*) The excess in this case amounts to 2 *l.* 14 *s.* 8 *d.*, and I see the explanation given is, that it was caused by a special payment for medical and other expenses incurred by the court-keeper through injuries received whilst in performance of her duties, and that

Chairman—continued.

through a miscalculation on the part of the Accounting Officer no Supplementary Estimate was taken to meet this expenditure?—Yes, that represents the facts.

[The Witnesses withdrew.

FIRST

REPORT

FROM THE

COMMITTEE

OF

PUBLIC ACCOUNTS;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

AND

MINUTES OF EVIDENCE.

Ordered, by The House of Commons, *to be Printed,*
18 *February* 1891.

[*Price* 1½ *d.*]

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H.—2. 3. 91.

SECOND

REPORT

FROM THE

COMMITTEE

OF

PUBLIC ACCOUNTS;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

MINUTES OF EVIDENCE,

AND APPENDIX.

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227.

Committee of Public Accounts.

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Committee nominated—of—

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Mr. Barran.	Mr. Arthur O'Connor.
Sir Walter Barttelot.	Mr. Salt.
Mr. Sydney Buxton.	Sir Richard Temple.
Mr. Crawford.	Mr. Webb.
Mr. Jackson.	Mr. Wodehouse.

That the Committee have power to send for Persons, Papers, and Records.

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SECOND REPORT.

THE COMMITTEE of PUBLIC ACCOUNTS have made further progress in the matters to them referred, and have agreed to the following SECOND REPORT :—

CIVIL SERVICE APPROPRIATION ACCOUNTS.

CLASS I.

VOTE 3.

ROYAL PARKS AND PLEASURE GARDENS.

POSTPONED PAYMENTS.

1. A NOTE is appended to this Account stating that, owing to certain expenditure, including about 1,800 *l.* in connection with the opening of Constitution-hill to the public, for which service no provision was made in the Vote, it was necessary to postpone the payment of bills to the amount of about 3,000 *l.* This note appears in consequence of a recommendation of the Public Accounts Committee in 1886, that, "every payment postponed for want of funds should be shown upon the face of the Appropriation Accounts, so that the fact of liability having been incurred in excess of grant should be brought prominently before the notice of Parliament." A Treasury Circular of the same year accordingly directed the various Departments to make a note upon the Appropriation Accounts, stating the fact of any such postponement, and its amount.

Public Accounts Committee, Second Report, 1886, para. 27.

2. Looking to the total expenditure under this Vote, viz., 90,293 *l.* 5 *s.* 3 *d.*, this is an exceptionally large postponement. Your Committee have availed themselves of the opportunity which thus arose to consider the question whether postponements of this nature should be permitted.

Q. 54.

Sir Reginald Welby attended on behalf of the Treasury, and in his evidence will be found a history of the opinions of the Public Accounts Committee on this question in the years 1877, 1885, and 1886, and of the views of the Treasury in those years.

Questions 59–63.

The opinion held by the Public Accounts Committee in 1877, concurred in by the Committee in 1885, was "that expenditure not provided for should not, unless under exceptional circumstances, be incurred; but if it must be incurred, it should be charged in the Vote, and shown, even if it occasions an excess."

Report, 1877, para. 91. Second Report, 1885. para. 8.

On the other hand, in 1885, and again in 1886, the Treasury did not strongly condemn this practice of postponing payments for the purpose of avoiding an excess. Sir Reginald Welby accounted, in great measure, for that fact by the difficulty which the Treasury in past years experienced in impressing upon the Departments the grave irregularity of incurring excesses. But he was able to point to the small number and amount of the excesses now occurring, year by year, as a proof that the Departments have learnt the lesson. In the year 1887 the Public Accounts Committee reported with much satisfaction that there were no deficits to be voted, and that in the opinion of the Comptroller and Auditor General this fact was the more significant, because there was

Q. 72.

Report, 1887, para. 1.

nothing in the accounts to lead to the inference that excesses had been avoided by postponing payments of fully-matured liabilities.

The excesses reported in the succeeding years have been as follows:—

Year.	Number.	Total Amount.
		£. s. d.
1888 - - - -	2	3,309 7 4
1889 - - - -	3	10,970 14 2
1890 - - - -	2	8,052 6 3
1891 - - - -	3	5,885 10 11

Public Accounts Committee, Report, 1877, para. 91. Second Report, 1885, para. 8. Q. 72-85.

3. The reasons underlying the objection which the Treasury formerly entertained to the adoption of a stringent rule against postponements have thus, to a large extent, passed away, although the Treasury are properly desirous that, if postponement of payments be checked by such a rule, the danger of tempting the Departments to spend more money than Parliament has voted to them, and thus to incur excesses, may not be forgotten.

Report, 1877, para. 91. Q. 71, 101-3.

4. Your Committee desire, upon this point, to repeat and emphasize the doctrine laid down by the Public Accounts Committee in 1877. "The irregularity, they consider, consists in incurring expenditure which has not been authorised by Parliament, and would be increased rather than diminished by not defraying it when it has been actually incurred." This doctrine, that the fault lies in incurring liabilities in excess of the Estimates voted, has throughout had the concurrence of the Comptroller and Auditor General.

Q. 91, 2.

5. Your Committee do not apprehend that, if each Department is sufficiently careful in framing its Estimates, and in ascertaining at the proper time whether a necessity exists for a Supplementary Estimate, liabilities will be incurred (unless in rare and exceptional cases) beyond the provision voted by Parliament.

Q. 64. Q. 65. Q. 90. Q. 68.

6. Moreover, the danger that excesses will be incurred is reduced to very small proportions by the circumstances to which the Comptroller and Auditor General's evidence calls attention, viz., that no Excess Vote can be taken without having been previously submitted to the Public Accounts Committee, who inquire carefully into the grounds of excess, and into the reasons why the expenditure has not been met by a Supplementary Vote. They do not deal leniently with excesses, and would censure a Department in a case where proof was given that a Supplementary Vote ought to have been obtained.

Q. 67.

7. The fact that an excess cannot be hidden, but is always brought under public review in this manner, whereas a postponement of payments, if the Department omits to append a note to the account, may be concealed from the Audit Office and from Parliament, affords a powerful argument in favour of the recommendation which your Committee desire to make, viz., that positive regulations should be issued by the Treasury directing that, for the future, payments which come within the provision made by Parliament, and which are due and fully matured, must not be postponed, even for the purpose of avoiding an excess.

Q. 65, 89, 90.

8. When the officers of a Department apprehend that the provision that has been voted will be insufficient, their first effort should be to exercise economy by postponing any works or services which can be thus dealt with without injury to public interests; if that expedient should prove insufficient or impracticable, resort should be had to a Supplementary Estimate; and in the rare cases which must sometimes arise, when the discovery that the Grant will be exceeded is not made in time to obtain a Supplementary Grant, the proper course, in the opinion of your Committee, will be, to make all payments that are due and fully matured, and that fall within the general provision of the Estimate, rather than avoid an excess by the postponement of such payments.

Q. 99-102.

9. Your Committee regard as fallacious any argument for such postponements that is based on the tendency which they may have to cause economy in the Department's administration during the succeeding year. The only sound doctrine is that every desirable and practicable economy will be practised without the pressure produced upon a Department

a Department by the necessity of meeting liabilities postponed from a previous year. Moreover, if liabilities are postponed in one year, that practice may be repeated in the next, and thus not only would the evil grow, but the public service would suffer from the knowledge of contractors and tradesmen that payment of their accounts was liable to arbitrary postponement at the will of the Department.

10. In the particular case which has brought up these questions of general principle, it is clear that the Office of Works should have applied to Parliament for a Supplementary Estimate. The risk of incurring an excess would not have been run, but for the belief that, in the last resort, the expedient of postponing the payment of bills was available, and would not be disapproved by the Treasury. By enforcing the rule which your Committee have recommended, the Treasury will, they trust, effectually check the recurrence of such proceedings; they are irregular in principle, and, as has been shown, they may have evil practical results. Q. 75.

VOTE 9.

County Court Buildings.

11. The evidence respecting an apparent over-payment of 230 *l.* to a registrar, of which only half has been reclaimed and refunded, shows that the Treasury could hardly now have insisted on an attempt to recover more, because of the loose nature of the arrangement made by their authority in 1865. Q. 119–122.

VOTE 17.

Lighthouses Abroad.

12. Your Committee are glad to learn that the Treasury will consider the suggestion of the Comptroller and Auditor General, that detailed information should be afforded in the Estimate (Sub-heads C. and E., Falkland Islands and Sombrero) in regard to salaries. Q. 126.

VOTE 18.

Peterhead Harbour.

13. The Comptroller and Auditor General, in his Report on this Vote, mentioned that the payment of 910 *l.*, the balance of the claim of a contractor who had received 600 *l.*, had been "postponed in order to avoid an excess on the amount voted for this service."

As your Committee have, in the opening paragraphs of this Report, commented on the practice of thus postponing payments, they now only add that the present case is an example of a further evil, frequently accompanying such postponements, namely, that a payment, the whole of which ought to appear in the accounts of a particular year, is divided in a needless and arbitrary manner, so that part only is included in that year's accounts, the other part coming in those of the next year. Paras. 1–10 Q. 107.

CLASS II.

VOTE 2.

House of Commons Offices.

14. The Comptroller and Auditor General having called attention to the fact that the Extra Receipts of the House of Commons are not examined by his Department, in the same way as other Extra Receipts, including those of the House of Lords, the Accounting Officer attended, by Mr. Speaker's desire. In his evidence, and in a Minute by Sir Denis le Marchant, the system of audit by the Speaker, under the 12 & 13 Vict. c. 72, s. 6, is described. Q. 128–134. App. No. 5.

VOTE 25.

Office of Woods, Forests, and Land Revenues, &c.

15. Certain expenditure on a lawsuit, in which this Department acted virtually as agents for the War Office, is accounted for partly in this Vote, and partly in the Law Charges Vote (Class III., Vote 1). Your Committee are of the same opinion as the Comptroller and Auditor General, namely, that in such cases the whole sum should be charged against one Vote, and that it is irregular to divide the charge. Q. 135–139. Q. 140, 1.

VOTE 27.

Mercantile Marine Fund.

Q. 155-7. 16. The improvement in the state of this fund is continued. The surplus on 31st March 1890 amounted to 21,306 *l.* 8 *s.* 11 *d.*, after many years of deficiency, and in March
Q. 158. 1891 a balance of about 100,000 *l.* is anticipated. It is hoped that the debt to Greenwich Hospital of 200,000 *l.* will be repaid in part when 100,000 *l.* is available.

Q. 159. 17. The financial arrangements agreed on between the Treasury and the Board of Trade for five years from 1883 have been continued up to March 1892, having been renewed for a ninth year, pending the consideration by the Government of the
Fourth Report, 1889, para. 39, Fifth Report, 1890, para. 40. Report of the Departmental Committee mentioned in the Reports of the Public Accounts Committee in 1889 and 1890.

Q. 176, 7. 18. The need for legislation to bring the Merchant Shipping Act into relation with
Q. 171-5. the altered condition of modern trade is exemplified by an extraordinary application of the fund for the relief of Distressed British Seamen, instanced by the Comptroller and Auditor General. Upwards of 500 *l.* from this fund were spent in paying the Pacific Steam Navigation Company for the passage home of 93 mariners wrecked in the "Cotopaxi,"
Civil Service Appropriation Accounts, p. 166, para. 10. one of the vessels belonging to that Company. Your Committee agree with the Comptroller and Auditor General that such a payment cannot have been intended by the authors of the statute.

VOTE 39.

Public Works Office, Ireland.

Q. 180-2. 19. Your Committee share the dissatisfaction expressed by the Comptroller and Auditor General, and by the Treasury, with a transaction between the Public Works Office and the Clara and Banagher Railway Company, described in the evidence.

CLASS III.

VOTE 3.

Supreme Court of Judicature.

20. Commissioners of Assize, for whom no provision was made in the Estimates, have been paid 2,100 *l.*, accounted for under a special Sub-head. Your Committee inquired
Q. 186-199. whether such payments are made on any fixed scale. The statement put in by the
App. No. 6. Treasury, in reply, is printed in the Appendix; it shows that, for a whole assize, the customary fee is 500 guineas, and that four such fees were paid in 1889. For parts of an assize, the payments appear to be less uniform, but it is stated that "the attempt is "made to secure the services of a Queen's counsel of sufficient standing at a rate not "exceeding 15 guineas per diem," and that "expenses are allowed on the same scale as "in the case of judges when on circuit."

Q. 191-4. 21. In the year 1884-85, the Comptroller and Auditor General and the Treasury called the Accounting Officer's attention to the importance of establishing some definite scale of allowances for the scrivenery work of the various divisions of the High Court of Justice. The subject does not appear, after six years, to have emerged from the stage of inquiry and consideration; but a Committee reported to the Lord Chancellor on
Q. 195. the subject in January 1890; and your Committee trust that the economies which are anticipated from a settlement of this question may not be much longer delayed.

Q. 196-202. 22. Among the points thus calling for reform, the Comptroller and Auditor General
Civil Service Appropriation Accounts, 1889-90, p. 233. calls attention to the fact that in the Chancery Registrar's Office "the copyists are not "employed and paid by the Department, but the work is practically farmed out" to an officer of the Supreme Court, through whose hands between 2,000 *l.* and 3,000 *l.* pass every year, while the accounts do not show what portion of this amount is paid to the copyists. Such a system has been on several occasions disapproved by the Treasury. Your Committee trust that it may be discontinued as soon as possible.

Q. 203-5. 23. The discovery of defalcations extending over nine years, in the office of a District Registrar, has led to inquiry, with a view to alterations in the system of stamping documents. Your Committee are glad to learn that an improved system will be introduced, although it has not yet been definitely settled.

VOTE 12.

Reformatory and Industrial Schools, Great Britain.

24. Inquiry into certain points, mentioned by the Comptroller and Auditor General's Report, elicited facts, as to delay in altering the staff of the office of the Inspector of these schools, and as to increasing difficulty in recovering parental contributions, illustrating the necessity of legislation. So long ago as the year 1883, the Royal Commission on Reformatories and Industrial Schools reported in favour of several legislative changes, including some improvements as regards the parents' payments. The Commission proved, by tables of expenditure, how very small was the part of the cost of the children's training and maintenance in these institutions borne by the parents. And they pointed out, that "such contributions are the best check on the abuse of the reformatory and industrial school system, by parents who wish to get rid of the burden of their children's maintenance and education; they are a recognition of the parents' responsibility; and they are the most natural and satisfactory mode of meeting the expenses of these schools, and limiting the charge thrown on rates and taxes."

Q. 211, 214. Q. 221. Q. 220, 222–3. Reformatories and Industrial Schools Commission Report, 1883. para. 60.

But nothing has so far been done to deal with that and other urgent questions connected with these schools, except that Bills brought in by the Government, have been before the House of Lords, in the Sessions of 1889 and 1890. But these have been dropped, either in that House, or on reaching the House of Commons.

Q. 213.

Your Committee trust that the evidence which they have received may hasten legislation. One fact alone proves that its need is urgent, namely, that while the number of children committed to industrial schools, and the consequent outlay upon them, has steadily increased, the amount recovered from parents, unsatisfactory as it was when the Commission reported, has, since that time, seriously diminished.

Q. 221.

CLASS IV.

VOTE 7.

London University.

25. Your Committee were assured that the question, whether the large sums hitherto annually treated as Extra Receipts ought not to be regarded as Appropriations-in-Aid, will be reconsidered when the Estimates for next year are framed.

Q. 243, 4.

VOTE 9.

Public Education, Scotland.

26. Your Committee have fully inquired into the question raised by the Comptroller and Auditor General, as to the grants made to certain schools, where the proportion of scholars, admitted by the managers to be paying an ordinary fee of more than 9*d.*, exceeded 20 per cent. He has reported that he cannot admit these grants as proper charges against the Vote, nor the grant to another school where the percentage was said to be 18·77 in 1889–90, rising in 1890-91 to 43·2, and where special circumstances were noticed by him in his report.

Civil Service Appropriation Accounts, 1889–90, p. 370.

The Comptroller and Auditor General took action in consequence of two opinions of the law officers. The Attorney General and the two Scotch law-officers (the English Solicitor General taking a different view), signed these opinions, and their purport was communicated to your Committee, who have not attempted to interpret the law for themselves, but, in the views which they now report, upon the points at issue between the Department and the Comptroller and Auditor General, have been guided solely by the interpretation thus given by the law-officers.

Q. 355, 417. Q. 415. Q. 413–417.

27. In 1887 the three law-officers answered in the affirmative the question put to them "whether the ninepenny rule applies to Scotland." This rule is laid down by Section 3 of the Elementary Education Act of 1870, which enacts that "the term "'elementary school' does not include any school or department of a school at which the "ordinary payments in respect of the instruction, from each scholar, exceed ninepence a "week."

Q. 413. 33 & 34 Vict. c. 75, s. 3.

The law officers state that "it cannot be disputed that Section 20 of the Elementary "Education Act of 1876 applies to Scotland by virtue of Section 53. The question is, "therefore, what does Section 20 mean? In Section 20 occur the words, 'public "elementary schools.' We think that this expression constitutes a 'term,' in the sense

Q. 414. 39 & 40 Vict. c. 79. s. 30.

" of the second paragraph of Section 48. Accordingly, the expression ' public elemen-
" tary school ' is to have the same meaning as in the Act of 1870. Now the 7th section
" of the Act of 1870 declares what are ' public elementary schools.' A perusal of that
" section will show that it is concerned with the definition of this attribute ' public ;'
" and it is enough to say that nothing in that section bears very directly on the present
" question. The section accordingly throws the reader back upon the definition of
" ' elementary school,' which is given in Section 3 (of the Act of 1870). In our view
" this latter section is decisive of the present question. It is here that the ninepenny
" rule is laid down, and accordingly the ' ninepenny rule ' is made by reference a condi-
" tion of the grants to Scotch schools."

Q. 416. Your Committee were informed, on behalf of the Scotch Education Department, that they have adopted the view thus taken by the three law-officers.

Q. 480. In another part of the same " opinion," the law officers negative any suggestion that the language applying the ninepenny rule to English grants " bears a different meaning when " applied to Scotland. . . . In Section 53 (of the Act of 1876), there is no qualification or " modification of Section 20, and the other relative sections, in their application to " Scotland ; no suggestion that they are to be read in one way for Scotland, and another " for England. They are applied as they stand, that is to say with their statutory " meaning."

Civil Service Appropriation Accounts, 1889-90, p. 369. Q. 407, 417.

28. A further opinion was obtained from the same three law-officers in May 1890, as to the proper interpretation to be attached to Section 3 of the Act of 1870, and was to the effect that the Act cannot be construed " so as to exclude a school in which any one " child pays more than 9 *d.* To adopt such an interpretation would make the words " ' each scholar ' equivalent to ' any scholar ;' which would not," in the opinion of the law-officers, " be warranted by ordinary principles of construction." The purport of the opinion of the law officers is that, " although the average amount paid by each scholar " affords a guide for determining whether a school does or does not fall within the " concluding words of Section 3 of the Act of 1870," they " think it is not conclusive. " The question is really one of fact in each instance, and it is difficult to lay down any " rule which can be applied in all cases ;" but they " think that, if in any school a " substantial proportion of the scholars, or at any rate a large number of scholars, pay " not more than 9 *d.*, the school is within the definition of an elementary school."

Civil Service Appropriation Accounts, 1889-90, p. 369. Q. 418.

29. The Comptroller and Auditor General has reported his opinion that it follows from this authoritative interpretation of the law " that the proper course, in every case, " is to consider the proportion borne by the number of scholars ordinarily paying more " than 9 *d.* a week to the total number of scholars on the books, regard being given to " attendant circumstances."

Q. 420. 30. And on the question to what that proportion may normally amount, he came " to the conclusion to submit that all schools must be considered ineligible in which the " proportion of scholars paying more than 9 *d.* amounts to 20 per cent. and upwards ; " and that cases of schools where the proportion is between 10 and 20 per cent. should Q. 423, 4. " be specially considered." It was upon this basis that he declined to pass as legal Civil Service Appropriation Accounts, 1889-90, p. 370. payments the grants to 18 schools, amounting to a total of 12,246*l.* 19*s.* 6*d.* He added that, in regard to other cases, it was only with some hesitation that he had given his certificate.

Q. 425. Q. 431. 31. Mr. Craik, on behalf of the Scotch Education Department, objected, in his evidence, to the adoption of any such proportion or percentage as a rule, and justified the view of the Department that the average fee should be the first consideration in considering the eligibility of a school, the question how many scholars pay 9 *d.* or less being taken into consideration when the average seems to the Department, from any special circumstances, to be too favourable or too unfavourable to the school.

Q. 505, 507, 513, 4. 32. Your Committee do not consider that the average which Mr. Craik would regard as entitling a school to a grant, viz., an average fee of 9 *d.*, paid for subjects within the Education Code, would be consistent either with the plain wording of the Act, or with the interpretation put on it by the law-officers.

Your Committee, adopting that interpretation, recognise that, although the average fee affords a guide for determining whether a school falls within Section 3 of the Act of 1870, it is not conclusive.

For example, the average fee in a school may be above 6 *d.* The discovery that the average is so high should, in your Committee's opinion, raise a doubt whether a large number of the scholars pay no more than the usual elementary school fees, ranging from 9 *d.* to 1 *d.*, and therefore whether the school is eligible for grants. But the fact would clearly

clearly not be conclusive against the school, as further inquiry might show that all the children pay 6 *d.*, or that no child pays more than 9 *d.*, or that an overwhelming proportion pay no more than 9 *d.* Again, the average might actually be above 9 *d.*, and yet only one or two scholars might pay more than 9 *d.*, the rest paying exactly 9 *d.* In each of these alternatives, the school would be eligible for a grant. On the other hand, the average fee might be under 6 *d.*, and yet the school might be ineligible; as, for instance, in a case where more than half the scholars pay more than 9 *d.*, and the rest pay no fee.

33. Hence the second point in the law-officers' opinion assumes far greater importance than the inconclusive guidance afforded by the average fee. They state that 'the question is really one of fact in each instance." They recognise that "it is 'difficult to lay down a rule which can be applied in all cases." But they proceed to attempt this, in the following words: "They think that, if in any school a substantial "proportion of the scholars, or at any rate a large number of scholars, pay not more "than 9 *d.*, the school is within the definition of an elementary school."

Your Committee, therefore, have no doubt that the Comptroller and Auditor General is correct in the inference quoted above (para. 29); for, if the proportion who pay more than 9 *d.* is ascertained, it at once becomes clear whether "a substantial "proportion"—"a large number"—pay not more than 9 *d.*

34. It is also right that regard should be given, as he states, "to attendant "circumstances."

Some of these "attendant circumstances," in the case of the schools whose grants have been disallowed, call for notice. The Comptroller and Auditor General has reported that circumstances have been brought to his notice which do not permit him "to feel "satisfied that the official returns of 'fees payable' made by all school managers are "either accurate or complete." Civil Service Appropriation Accounts, 1889–90, p. 367.

School fees in Scotland are commonly paid quarterly in advance. But the official question answered by managers is "what are the rates of fees per week?" The managers make their own calculation of the weekly equivalent of the quarterly payment, and enter the result only on the official form. When, therefore, the calculation thus made results in statements that in the Paisley Neilson Institution, out of a total of 1,060 scholars, 433 pay exactly 9 *d.*, while 199 pay more, and that in another school, out of a total of 1,460, 381 pay exactly 9 *d.*, while 409 pay more, it becomes important to inquire what were the precise quarterly payments, so that the calculation may be checked. Q. 356. Q. 357. Q. 358. Q. 359. Q. 362.

The return of a number of children as paying 9 *d.*, when the managers themselves make the calculation, calls for the more scrutiny if there is a marked discrepancy between the returns of two years, as in the case of the first of the schools just mentioned, where, in 1889–90, 18·77 per cent. were returned as paying more than 9 *d.*, and in the following year 43·2 per cent., in addition to 174 scholars who were alleged to have paid exactly 9 *d.* Civil Service Appropriation Accounts, p. 370.

The Comptroller and Auditor General reported that errors of return have arisen, in many cases, from incorrect methods of taking into account the duration of the school year; an assumption, for example, that the school met during 48 weeks, whereas the real number was 42. The statement is challenged by the Glasgow School Board as regards more than one case. But the Scotch Education Department have not entered upon a minute inquiry into the question whether the practice exists. Q. 370, 373. Q. 394.

Your Committee are not able to admit the cogency of the argument by which some defence of such a practice was attempted. The Act speaks of "ordinary payments "in respect of the instruction from each scholar," which "exceed 9 *d.* a week." There must be equal treatment between schools where a weekly fee is charged, and those where the payment is quarterly. No fee is charged at the former for a week when the school does not meet, or the child does not attend. Nor can a correct weekly equivalent for a quarterly fee be found except by dividing the latter by the number of weeks during which the school has met, and the scholars have actually attended. Q. 374–381. 446.

35. Other errors arose from causes which the Comptroller and Auditor General considered more serious, and which he described in his report and evidence. It seems that some school managers have taken upon themselves the responsibility of making deductions from the payments they have received before answering the official question as to the rates of fees. Nor does any statement, either of gross fees or of deductions, appear on the official form. Thus, for audit purposes at least, there is nothing to show that any deductions have been made. Q. 371-2.

Q. 382. Some defence was offered by Mr. Craik for such a practice with regard to the income from school fees, on the ground that his Department has habitually told managers that certain heads of expenditure should be deducted from the ordinary expenditure, on which a grant is claimed, and must not form a ground for swelling the grant.

But your Committee do not find in that explanation an adequate excuse for the practice, nor for the omission of the Scotch Education Department to require that, in all cases where the question whether public money shall or shall not be granted depends on the facts as to the school fees, those facts should be fully put before the Department in the Q. 471–3. first instance, and should be afterwards available for audit. To allow local managers of schools, however trustworthy, to decide for themselves what deductions they may make from gross receipts, without sending in any statement of such deductions or receipts, which may be checked by a local examination of their accounts, seems to your Committee to open the door to errors and abuses. The danger becomes very evident when it is remembered how serious the consequences may be to the finances of a school, if adequate deductions are not made, and consequently the answer given by the managers as to "the "rates of fees per week" is such that the grant is lost.

Q. 383–385. It was stated by Mr. Craik that some portion of the fees, in certain schools, may be regarded as payments absolutely outside the cognizance of his Department, being paid for subjects on which no grant is given. He also stated that, for subjects within the Code, both "ordinary payments" and extraordinary payments of school fees are within the cognizance of the Department. On these points your Committee refrain from fully expressing an opinion. But, in their judgment, it is desirable that the Department should exercise vigilance lest school managers, availing themselves of these refinements, should be allowed to make undue deductions from the actual payments made by parents, Q. 392, 461. and thus to claim a grant on misleading returns as to the school fees. Your Committee observe that, when the right to make deductions is claimed, the Department are disposed to hold that the deductions must be in respect of subjects which are optional, and which are not taught within the ordinary school hours. Your Committee are of opinion that, in dealing with this matter, these two safeguards at least should be kept in view.

Q. 386. 36. In one case, that of the Lenzie Academy, Mr. Craik admitted, in respect of the Comptroller and Auditor General's objections, that "a very serious difficulty has been App. No. 7. "raised, and so serious a difficulty that no grant has actually been paid," during the financial year 1890-91.

This fact illustrates the importance and value of the Comptroller and Auditor General's discharge of his duty in raising objection when schools which appear not to come within the statutory definition are on the list of those receiving annual grants.

Q. 388. But, in the preceding year, the accounts of which are now under review, 1889–90, a grant of 206 *l.* 3 *s.* 6 *d.* was paid to this school, and has been reported by the Comptroller and Auditor General as one of those which he cannot admit as proper charges against the Vote. Half the scholars (118 out of 236) were returned by the managers as paying more than 9 *d.* per week, and 26 as paying exactly 9 *d.*, while the school prospectus showed that much higher fees were charged than appeared in the official returns.

Civil Service Appropriation Accounts, 1889–90, p. 376.

37. Under all these "attendant circumstances," your Committee have no doubt that the Comptroller and Auditor General has only performed his duty in reporting the grant to the Lenzie Academy for disallowance, and in extending that disallowance to the 16 other cases in which the managers' own calculations show that the proportion of scholars paying more than 9 *d.* amounts to 20 per cent. and upwards, as well as to the case of Paisley Neilson Institution, where the proportion is calculated at 18·77 per cent. for the year in question, but at 43·2 per cent. in the succeeding year, and where the number returned as paying exactly 9 *d.* is 433 in the former year and 174 in the latter.

38. Seeing, however, that much hardship to the schools might arise from calling upon their managers to repay grants, which were claimed on a system that has apparently had the sanction of the Department, your Committee report that the disallowance, which they would otherwise have recommended, may be waived.

39. At the same time, it should be understood that that system cannot continue, that the Department should require full statements of the gross receipts and of all deductions claimed, and that these should be closely scrutinised. Finally, your Committee recommend that, so long as the law remains in its present form, a rule should be adopted that,

that, after the actual weekly equivalent for the quarterly fee has thus been ascertained, no school shall be eligible for grants at least two-thirds of whose scholars do not pay fees of 9 *d.* or less per week. And the attendant circumstances should be considered, before a grant is made to schools where any children pay more than 9 *d.*, or any considerable number are said to pay exactly 9 *d.* It need hardly be added that the facts obtained by the Department, to guide them in applying this rule, should, in every case in which a grant is made, be available for the Comptroller and Auditor General when he examines the payments.

40. Some question arose, upon the case of one of these schools, as to a local examination of the accounts of the school. Your Committee hold that the accounts of any school, or other institution, receiving grants of public money upon any condition connected with its receipts or expenditure, such as the condition as to the scale of fees charged, are liable to examination, alike on behalf of the Department responsible for administering the Vote, and on behalf of the Comptroller and Auditor General. Civil Service Appropriation Accounts, 1889–90, p. 369. Q. 395–406.

41. Under certain circumstances schools receive, in accordance with the Scotch Education Act, 1872, section 67, an additional grant of 7 *s.* 6 *d.* per scholar in average attendance. In the case of the Dysart Burgh Board School this amount was paid on an attendance of 149; but as the Department had decided that there was accommodation for no more than 132, and had given the ordinary grant for that number only, the Comptroller and Auditor General has raised the question whether the 7 *s.* 6 *d.* grant should have been paid for the other 17 children, and he has reported the sum of 6 *l.* 7 *s.* 6 *d.* for disallowance. 35 & 36 Vict. c. 62, s. 67. Civil Service Appropriation Accounts, 1889–90, p. 370, para. 6. Q. 541–45.

Mr. Craik argued, in his evidence, that the rule of the Code defining the accommodation of a school could not be held to limit this form of grant in relief of rates. But your Committee feel that the point is open to doubt, and that it was right that it should be raised by the Comptroller and Auditor General. Before further grants are given on this basis, the opinion of the Law Officers should be taken. In the meanwhile, as there might be hardship in claiming repayment, if the decision were unfavourable to the grant, your Committee think that, even in that event, this past payment may be allowed.

CLASS V.

VOTE 1.

Diplomatic Services.

42. The expenditure incurred by the Anglo-Chilian Claims Commission, half of which, amounting to about 6,000 *l.* (including 4,734 *l.* 17 *s.* 2 *d.* in 1889–90), fell upon this country, appears to have been out of proportion to the interests involved. The awards were about 30,000 *l.* Q. 249–252.

CLASS VI.

VOTE 1.

Superannuation and Retired Allowances.

43. Certain benefits are given by Section 4 of the Superannuation Act of 1859, to persons who have held offices "specified" by the Treasury. The Treasury Minute of 14th June 1859, placed "Professors and Masters of the Royal Military College, and similar establishments," under this Section. But inquiry into a question raised by the Comptroller and Auditor General, satisfies your Committee that the words "similar establishments" are not sufficiently specific, either in the public interest, or in that of possible claimants. They suggest that the Treasury should specify more definitely the class of offices entitling the holders to these benefits. Q. 268–282.

44. Under the circumstances explained on behalf of the Treasury in the evidence, the admitted overpayment of 23 *l.* 4 *s.* 1 *d.* to Mr. Ricketts, late Consul at Tunis, may be written off. Subsequent payments will be on the corrected scale. Q. 283–291.

Q. 292-3. 45. Your Committee report for disallowance the overpayment of 7*l.* 6*s.* 5*d.* to a late assistant warder, Convict Service, Western Australia. They are informed that the amount will be recovered.

Q. 298. 46. A gratuity of 500 *l.* was awarded out of the Compassionate Fund to a former officer of the Inland Revenue Department, with a salary 200 *l*, and now receiving a pension of 69 *l.*, out of the Vote of that Department. The Comptroller and Auditor General regarded this payment as hardly covered by the terms of the Grant. Your Committee were informed, on behalf of the Treasury, that this was a very exceptional case. After the explanation offered, your Committee are prepared to let the payment pass.

CLASS VII.

VOTE 3.

Post Office.

Q. 316-341. 47. The payment of the salaries of certain surveyors' clerks is reported as irregular by the Comptroller and Auditor General. These clerks had been Second Division Clerks; and he pointed out, with the support of the Civil Service Commissioners, that fresh Civil Service certificates should have been obtained before these promotions were made. The Civil Service Commissioners state, that "as no clerk of the Second Division "can be promoted or transferred to any situation outside of that division (not being "included in Schedule B. of the Order in Council of 4th June 1870), without a fresh "certificate from this Board, such certificates are required" in these two cases.

Civil Service Appropriation Accounts, 1889-90, p. 561 (A.)

The evidence offered on behalf of the Postmaster General failed, in your Committee's opinion, to meet this authoritative statement. They were informed, on the part of the Treasury, that "it is the usual, if not the invariable rule, that a new certificate is required "on an appointment of that nature" (*i.e.* a staff appointment), "but the conditions "which the Civil Service Commissioners would attach with regard to the fresh certi-"ficate, are matters of arrangement between themselves and the Postmaster General, "and the Treasury."

Q. 326.

Unless certificates are obtained in these cases, the payments cannot be allowed.

6 *May* 1891.

PROCEEDINGS OF THE COMMITTEE.

Wednesday, 25th February 1891.

MEMBERS PRESENT:

Sir UGHTRED KAY-SHUTTLEWORTH in the Chair.

Mr. Barran.	Mr. Crawford.
Sir John Lubbock.	Mr. Wodehouse.
Mr. Jackson.	Mr. Sydney Buxton.
Sir Richard Temple.	

The Civil Service Appropriation Accounts, 1889–90, Class I., Class II., and Class III. Votes 1 to 10, were considered.

Sir *Reginald Welby*, K.C.B., Sir *Charles L. Ryan*, K.C.B., Mr. *Spring Rice*, Mr. *H. W. Primrose*, C.S.I., Mr. *Allen Stoneham*, Mr. *W. A. Ferguson-Davie*, and Mr. *Thomas Lewis*, were examined.

[Adjourned till Wednesday, 11th March, at Two o'clock.

Wednesday, 11th March 1891.

MEMBERS PRESENT:

Sir UGHTRED KAY-SHUTTLEWORTH in the Chair.

Sir Richard Temple.	Mr. Crawford.
Mr. Barran.	Sir John Lubbock.
Mr. Wodehouse.	

Vote 11 and remaining Votes of Class III., and Classes IV., V., VI., and VII., of Civil Service Appropriation Accounts, and Revenue Departments, and Post Office Packet and Telegraph Services Accounts, 1889–90, were considered.

Vote 9 of Class IV., was postponed.

Mr. *Carey Knyvett*, C.B., Mr. *Henry Rogers*, Mr. *Spring Rice*, Mr. *Algernon Turnor*, C.B., and Mr. *Richard Mills*, were examined.

[Adjourned till Wednesday next, at Twelve o'clock.

Wednesday, 18th March 1891.

MEMBERS PRESENT:

Sir UGHTRED KAY-SHUTTLEWORTH in the Chair.

Mr. Crawford.	Sir John Lubbock.
Mr. Wodehouse.	Mr. Barran.
Sir Walter Barttelot.	Mr. Sydney Buxton.
Mr. Jackson.	Sir Richard Temple.

Postponed Vote 9, of Class IV., of Civil Service Appropriation Accounts, 1889–90, was considered.

Sir *Charles L. Ryan*, K.C.B., and Mr. *Craik*, C.B., were examined.

The Civil Contingencies Fund, Local Loans Fund, Woods, Forests, and Land Revenue, Treasury Chest, Chelsea Hospital, Greenwich Hospital, and Consolidated Fund Accounts, and the Post Office Telegraphs (Capital Account), 1889–90, were considered.

[Adjourned till Wednesday, 15th April, at Two o'clock.

Wednesday, 15*th April* 1891.

MEMBERS PRESENT:

Sir UGHTRED KAY-SHUTTLEWORTH in the Chair.

Mr. Crawford.	Mr. Arthur O'Connor.
Mr. Barran.	Mr. Webb.
Mr. Jackson.	Sir Richard Temple.
Sir John Lubbock.	Mr. Sydney Buxton.

The Army Appropriation Accounts, 1889–90, were considered.

Mr. *Ralph H. Knox*, C.B., Sir *Charles L. Ryan*, K.C.B., and Mr. *G. L. Ryder*, C.B., were examined.

[Adjourned till Wednesday next, at Two o'clock.

Wednesday, 22*nd April* 1891.

MEMBERS PRESENT:

Sir UGHTRED KAY-SHUTTLEWORTH in the Chair.

Mr. Webb.	Sir John Lubbock.
Mr. Wodehouse.	Mr. Arthur O'Connor.
Mr. Salt.	Mr. Crawford.
Mr. Barran.	Mr. Sydney Buxton.
Sir Richard Temple.	

The Navy Appropriation Accounts and Imperial Defence Act, 1888 (Naval Section) Account, 1889–90, were considered.

Sir *Charles L. Ryan*, K.C.B., Sir *Gerald Fitzgerald*, K.C.M.G., Mr. *Gilbert*, Mr. *G. L. Ryder*, C.B., and Mr. *A. J. Durston*, were examined.

[Adjourned till Wednesday next, at Two o'clock.

Wednesday, 29*th April* 1891.

MEMBERS PRESENT:

Sir UGHTRED KAY-SHUTTLEWORTH in the Chair.

Mr. Webb.	Mr. Barran.
Mr. Arthur O'Connor.	Mr. Crawford.
Mr. Jackson.	Mr. Wodehouse.
Sir Richard Temple.	Sir John Lubbock.

The Army (Ordnance Factories) Accounts and the Army (Ordnance Factories) (Vote), the Imperial Defence Act, 1888, Ports and Coaling Stations Accounts, and the Military Forces Localization Account, were considered.

Sir *Charles L. Ryan*, K.C.B., Sir *Reginald Welby*, K.C.B., Mr. *R. H. Knox*, C.B., Mr. *G. L. Ryder*, C.B., Mr. *W. Anderson*, M.I.C.E., and Mr. *Hurst*, were examined.

[Adjourned till Wednesday next, at Two o'clock.

Wednesday, 6th May 1891.

MEMBERS PRESENT:

Sir UGHTRED KAY-SHUTTLEWORTH in the Chair.

Mr. Crawford.	Mr. Sydney Buxton.
Mr. Wodehouse.	Sir John Lubbock.
Mr. Salt.	Mr. Webb.
Sir Richard Temple.	

The Army Store Accounts, the Army Clothing Accounts, and the Navy Store Accounts, 1889–90, were considered.

Mr. *R. H. Knox*, C.B., Mr. *G. L. Ryder*, C.B., Sir *Charles L. Ryan*, K.C.B., Mr. *Gilbert*, and Mr. *Ramsay*, C.B., were examined.

DRAFT SECOND REPORT, proposed by the *Chairman*, read the first time.—Question, That the Draft Report, proposed by the *Chairman*, be read a second time, paragraph by paragraph,—put, and *agreed to*.

Paragraphs 1—25, *postponed*.

Paragraphs 26—35, *agreed to*.

Paragraph 36, amended, and *agreed to*.

Paragraphs 37—45, *agreed to*.

Paragraph 46, amended, and *agreed to*.

Paragraph 47, *agreed to*.

Postponed paragraphs 1—25, *agreed to*.

Question, That this Report, as amended, be the Second Report of the Committee to the House,—put, and *agreed to*.

Ordered, To Report, together with Minutes of Evidence and Appendix.

[Adjourned till Wednesday, 3rd June, at Two o'clock.

LIST OF WITNESSES.

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Wednesday, 25th February 1891.

MEMBERS PRESENT:

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Mr. Sydney Buxton.	Sir John Lubbock.
Mr. Donald Crawford.	Sir Richard Temple.
Mr. Jackson.	Mr. Wodehouse.

SIR UGHTRED KAY-SHUTTLEWORTH, BART., IN THE CHAIR.

CIVIL SERVICE APPROPRIATION ACCOUNTS, 1889-90.

Sir REGINALD WELBY, K.C.B., Sir CHARLES LISTER RYAN, K.C.B., and Mr. STEPHEN EDWARD SPRING-RICE, called in; and Examined.

CLASS I.

PUBLIC WORKS AND BUILDINGS.

ON VOTE 3.

ROYAL PARKS AND PLEASURE GARDENS.

Mr. HENRY WILLIAM PRIMROSE, C.S.I., called in; and Examined.

Chairman.

50. (To Mr. *Primrose.*) LOOKING at the note at the foot of page 9, I observe that, for certain reasons which are stated, it is explained that it was necessary to postpone the payment of bills to the amount of about 3,000 *l.*; does that mean of accounts which had fully matured, and which would otherwise have been paid?—Yes.

51. What was the nature of those liabilities?—They were accounts that would probably have come under Sub-Head F. to a considerable extent.

52. For maintenance and repairs?—Yes; maintenance and repairs and material, and such things as that.

53. Payments to contractors and payments to tradesmen, for instance?—Yes.

54. (To Sir *Reginald Welby.*) You have been good enough to come here to give evidence on this important point, and I should like to ask you, in the first place, whether this is not rather an exceptionally large postponement, and whether so large a postponement has come under your notice before?—I should say that it was a very

Chairman—continued.

large postponement, and I do not recollect one of the same nature having come before us before.

55. (To Mr. *Primrose.*) What was the reason why it was not possible to obtain a Supplementary Estimate in this case?—I think, as the facts have turned out, we ought to have applied for a Supplementary Estimate, and we should have done so if we had made our calculations more accurately. When we were considering whether or not we ought to ask the Treasury for a Supplementary Estimate, we hoped that we should be able pretty nearly to balance. We were certainly wrong in our calculations, but if we had come to the conclusion that there would be as much as 3,000 *l.* that we could not pay, we should certainly have asked for a Supplementary Estimate.

56. About what date did you become aware of the fact that you were likely to exceed the amount granted you by Parliament?—Not till towards the end of February, or the beginning of March.

57. Would

Chairman—continued.

57. Would there not still have been time for a Supplementary Estimate then?—I think the Supplementary Estimates were closed by the middle of February; the date generally is about the middle of February, and I think it was so last year.

58. Supposing that it was impossible to come to Parliament for a Supplementary Estimate, I imagine that the reason why you did not exceed the amount granted and come to Parliament with an Excess Vote was, that the Treasury, as I see in certain Treasury Minutes, have laid down that it is a worse fault to have an excess upon a Vote than to postpone that payment?—Yes, that is so.

59. (To Sir *Reginald Welby.*) Then turning to that point, I have referred back to various Treasury Minutes upon the subject, but I would also like to ask your view upon the subject, calling your attention to the fact that the decisions of the Public Accounts Committee at several dates, namely, in the years 1877, 1885, and 1886, have been very clear and decided in expressing the opinion that bad as it is to bring about an excess, still the postponement of a payment which was fully matured, of a liability which had occurred within the subjects of the Estimates for the year laid before Parliament, was a worse fault?—I may, perhaps, refer to the general course which the Treasury has taken with regard to this question. The Treasury originally, when first of all the Public Accounts Committee took in hand the examination of the Appropriation Accounts, was very much impressed with the fact of there having been up to that time no check upon the Departments; excesses were not regarded really as an irregularity, and the first and primary duty, I think, which fell upon the Treasury was that of impressing upon the Departments generally that an excess was a grave irregularity; and for that purpose they consistently avoided, and desired to avoid, the issuing of any rule or laying down of any principle which would seem to sanction the incurring of excesses. The Committee will understand that approaching this question from that point of view the Treasury, perhaps, laid rather too much weight upon the evil that might accompany anything like a sanction of the incurring of excesses. I do not think that that was at all an imaginary evil, because, as the Committee will appreciate, at a time when there was no check upon the Departments the laxity that prevailed on these matters was very great. That is the position in which the Treasury in 1877, and subsequently, approached the question, and they were anxious that the matter should be viewed from that side. I think up to the present they have not felt that the Committee of Public Accounts completely set aside that view of the question. The Committee evidently laid a greater stress than the Treasury had done upon the danger of postponement; but I think the last expression of the opinion of the Committee was at all events a modified, I will not say sanction, but a non-refusal or a partial acceptance of the Treasury view.

60. On looking at page 205 of the Index to the Reports of the Committee of Public Accounts, I find that in the year 1877 the Committee of Public Accounts, after dealing with a case of postponement, made the following remarks: "Your Committee think it right to observe that in their opinion payments properly chargeable to a given year should not be postponed even to avoid the evil of an excess upon the sum granted by Parliament; the irregularity they consider consists in incurring expenditure which has not been authorised by Parliament, and would be increased rather than diminished by not defraying it when it has been actually incurred." I think, moreover, on that occasion the Treasury apparently agreed with the decision of the Committee, for turning to page 218, under the heading "Navy Appropriation Account," I find in the Treasury Minute these words: "My Lords understand the purport of paragraph 91 to be that excessive or inadequate estimates should not be disguised by anticipating or postponing payments which, but for that object, would in the regular course of business be made at some certain date. What liabilities should be incurred must always remain matter of Ministerial responsibility; and this, of course, is not touched by the paragraph." I think that describes what happened in that year, does it not?—Yes.

61. Then in the year 1885, turning to paragraph 8 on page 469 of the Index, I find the Committee made this statement: "It appears that on one Sub-Head of this Vote the current liabilities were not discharged in order to avoid an excess upon the whole Vote. This practice is opposed to the views expressed by the Public Accounts Committee, 1877. Your Committee concur with the opinion then held, that expenditure not provided for should not, unless under exceptional circumstances, be incurred; but if it must be incurred it should be charged in the Vote and shown even if it occasions an excess." The Treasury Minute upon that is at page 480. I observe that there seems to have been a little misapprehension in that Minute as to the reference to the year 1877 in the Committee's Report. I take it that the Committee in their Report in the year 1885 really referred to paragraph 91 of the Report of 1877, which I have already read, and the Treasury Minute is based on the supposition that it referred to another paragraph. I think probably therefore it would be better only to read part of the Treasury Minute. The Treasury Minute I see says: "But a Department may find towards the close of a financial year that there will be an excess upon its Vote unless it postpones some services to the next year. It

25 *February* 1891.] Sir R. Welby, K.C.B., Sir C. L. Ryan, K.C.B., Mr. Spring-Rice, and Mr. Primrose, C.S.I. [*Continued.*

Appropriation Accounts—Class I.

Vote 3.—Royal Parks, &c.—*continued.*

Appropriation Accounts—Class I.

Vote 3.—Royal Parks, &c.—*continued.*

Chairman—continued.

has learned from the Committee of Public Accounts and from the Treasury that an excess is a grave financial irregularity, and it accordingly postpones some of its work in order to avoid the irregularity. So far the Department is, in the opinion of this Board, clearly right, and my Lords cannot anticipate a difference between the Committee and themselves upon this point. But proceeding a step further, the Department may not postpone its work, and may therefore incur a liability which, if it had money upon its Vote, it would discharge before the close of the financial year, but not having money it postpones payment until April, when money is again legitimately at its disposal. This is a different case, but in the opinion of my Lords, postponement is the necessary course; for payment cannot in fact be made except by the use of other funds than those granted for the particular service, and such other funds are not always at the disposal of a Department. My Lords would urge that one of two decisions must be consistently enforced; either an excess is a grave financial irregularity, which a Department is bound to use all efforts to avoid, or it is not so; and if the authority of the Committee can be invoked for incurring excesses the Committee may depend upon it that excesses will not long remain an exception. The constitutional rule is that a Department is not to spend money which Parliament has not given it. It ought not therefore to incur a liability in excess of the grant; but if it has incurred such a liability it has no right to cover it by the commission of a great error, viz., taking money which does not belong to it. A Department incurring liability in such a case should be censured for incurring it, not for postponing payment of it." I do not know that I need read the rest of that Minute, unless you would wish to have it read. There, apparently, there was a conflict between the views of the Committee and the views of the Treasury?—Yes. The Treasury were anxious to bring in a marked manner before the Committee the view which they were inclined to take; always arguing, as I say, from the position which they had taken up at the beginning of the time when they first had to deal with the Appropriation Accounts.

62. Then I think we come next to the Report of the Committee in the year 1886, paragraphs 24 to 27, on page 500. Under the head of "Household of the Lord Lieutenant of Ireland," after commenting upon a particular case, the Committee say in paragraph 24, "The deliberate postponement to the next year of payments which have become due, for the purpose of avoiding expenditure in excess of the grant, appears to be a common expedient in all Departments of the Civil Service. It is defended by the Treasury as being the less of two financial irregularities. (25.) The Accounting Officers of the War Office and Admiralty, on the other hand, state that no such practice is ever adopted in their respective Departments, and they object as a matter of financial principle to postponing payments which have accrued due, and which ought in ordinary course to be paid. (26.) Your Committee, however, concur with the Comptroller and Auditor General in the view that such a practice withdraws from the knowledge of the Comptroller and Auditor General, and from Parliament, the fact of expenditure in excess of grant having been incurred. In a case like the present, when part of a sum is paid, the postponement of the payment of the residue is patent. (27.) But if the whole, instead of part, had been postponed, the irregularity would probably have never been discovered until the accounts of 1885–86 were under audit. Your Committee are strongly of opinion that if the practice hitherto sanctioned by the Treasury should be allowed to continue every payment postponed for want of funds should be shown upon the face of the Appropriation Accounts, so that the fact of liability having been incurred in excess of grant should be brought prominently before the notice of Parliament." Then on that Report being made, I think the Treasury, by a long Minute, which is printed on pages 514 and 515, directed that a note of that kind should be placed on the face of the account wherever such postponements took place. I do not know whether you would like to call special attention to any part of that Minute?—I do not think there is any paragraph in it to which I need call special attention. It really continues the expression of the views which the Chairman has already read in quoting the Minute of 1885.

63. Then it seems, as the Committee stated in 1886, to have become a practice, of which we have had a very signal instance in this case, or, to use their own expression, "a common expedient, to postpone payment, which have become due for the purpose of avoiding an excess?—I think the Treasury would plead that that is hardly established. The cases which have been brought before the Committee have been but few, and the Treasury certainly thought that the evil which they quite admit may arise from the postponement of liabilities already due was to a great extent guarded against, if, as in the present case, a note was put upon the Appropriation Accounts stating the fact of the postponement; because in that case the Comptroller and Auditor General has his attention called to it, and it comes before the Committee in due time.

64. (To Sir *C. L. Ryan.*) What view do you take upon this point?—As regards the general question of principle, the view of the Audit Office has always been that there was more danger in postponing payments than in incurring excesses. The view of the Treasury, as Sir Reginald Welby has explained, has always been strongly

Appropriation Accounts—Class I.

Vote 3.—Royal Parks, &c.—*continued.*

Chairman—continued.

strongly in the other sense, and so far as I have any responsibility with regard to the action of the Audit Office, I felt it was not right to oppose a strongly expressed view of the Treasury in this matter unless I had a distinct mandate, so to speak, from the Public Accounts Committee, to pursue the line which the Audit Office had previously taken of objecting to postponed payments; therefore, I, without changing my opinion, deferred my opinion to the view of the Treasury. I have not taken the same strong view as they did with regard to the danger of an excess, because an excess from its nature must attract the attention of Parliament. No Excess Vote can be taken without its having been previously submitted to this Committee; no Excess Vote can be taken without its coming specially before the notice of Parliament, in the Statement of Excesses.

Mr. *Jackson.*

65. But that would be a year later, would it not?—It would be a year later; but I do not think that affects the question. The responsibility of the Department remains, and this Committee inquires very carefully into the grounds of excess, and into the reasons why the excess is not met by a Supplementary Vote. I think an excess ought to be a very rare occurrence. If Departments are sufficiently alive to the condition of their expenditure, they ought to be able to inform the Treasury of the probability that they will require more money; they ought to be able to take a Supplementary Vote, and in that way avoid an excess. Of course it may be said also that in the case of an excess there is no money from which to meet the excess, but I do not think that is a very strong argument, because there is always the Civil Contingencies Fund, which is for the very purpose of meeting any expenditure of that kind which might be incurred; and it ought to be only a very exceptional case in which a Department cannot foresee its expenditure sufficiently to provide for it by a Supplementary Vote. You had a case before you here at the last meeting, which was a recurring case, the case of the county courts, where it was explained that a deficit must come, because the expenditure depended upon the amount of business, and the accounting officer never could know what was the state of business in the last quarter of the year. In that case a deficit could not be avoided, except by what I should call a wrong action on another point, that is to say, by an over-estimate. So that having the safeguard of Supplementary Estimates, I do not think that I should take the same view of an excess as the Treasury have held.

Sir *Richard Temple.*

66. But supposing that the excess expenditure exceeds the sum available in the Civil Contingencies Fund, whence is a Department to get the money?—By a Supplementary Estimate. If an

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Vote 3.—Royal Parks, &c.—*continued.*

Sir *Richard Temple*—continued.

excess is so large as to exceed 100,000 *l.*, which is the amount of the Civil Contingencies Fund, it ought certainly to be known by the Department in time to come for a Supplementary Estimate.

Chairman.

67. I understand your view to be, first of all, that no payments which are due and properly matured should be postponed even to avoid an excess, especially if they fall within the subjects of the Estimates for the year?—Clearly; and the only distinction which I might draw is one which was distinctly drawn at the last meeting of the Committee between cases where Parliamentary provision had not been made at all, and cases where they come within the ordinary Parliamentary provision.

Mr. *Jackson.*

68. And subject also, I presume, to the qualification that the probability of a deficit should be known in time to take a Supplementary Estimate?—Yes; that, I think, follows. If a Department does not watch its finances sufficiently carefully to see how it is going, and so lets the time pass when it ought to take a Supplementary Estimate, and if it thus incurs an excess, when that excess comes to be considered by the Committee, I think the Department would be liable to considerable censure.

69. That is to say, if they could know beforehand that a deficit was probable?—Yes, of course. I was speaking just now of the case of the county courts, where they could not know, and were not therefore so liable.

Chairman.

70. Would you say, taking the particular instance in the Vote before us, that in a case of this kind where there has been this unexpected expenditure in the opening of Constitution-hill, the Department ought clearly to have come for a Supplementary Estimate for that purpose?—I do not like to express an opinion without having the facts fully before me, and in regard to this particular case I have not the exact dates upon which the Department became aware of its various financial liabilities; but, speaking generally, I think the Department must have known that they were going to incur the expense, and should have come for a Supplementary Estimate.

71. I will give Mr. Primrose an opportunity of explaining the circumstances of this particular case in a moment; but in the meanwhile may I take it that you entirely concur in the view expressed by the Committee in the year 1877 that the sin is in incurring outlay in excess of the estimate, and not in defraying expenditure actually incurred and coming to Parliament for an Excess Vote?—I have concurred in that view all through; and, as I say, I have only deferred my opinion to the strong view expressed by the Treasury.

25 *February* 1891.] Sir R. Welby, K.C.B., Sir C. L. Ryan, K.C.B., Mr. Spring-Rice, and Mr. Primrose, C.S.I. [*Continued.*

Appropriation Accounts—Class I.

Vote 3.—Royal Parks, &c.—*continued.*

Chairman—continued.

72. (To Sir *Reginald Welby.*) I understand you do not concur in that view; perhaps you would like to make some remarks upon the point?—I have endeavoured to put before the Committee the reasons which actuated the Treasury in adopting their view. Carrying back my memory for a considerable time, I do not think that the Treasury view was at all an unjust one at the time. I think there was at one time, and I am now going back some time, great difficulty in bringing the Departments round to the conviction that excesses were grave irregularities, and that was one of the reasons which had weight with the Treasury. I think a great deal of the weight of that reason has now passed away. The Treasury has every reason to be satisfied with the small amount of excesses that are shown. The Departments throughout have learned, and I think very willingly learned, the lesson; I think we have very little cause to reproach them in the matter. The consequence is, so far, a great part of that valid objection which ruled the Treasury originally has passed away. I am therefore quite content to expect that as we have to place two difficulties, one that of sanctioning, or of appearing to sanction, the incurring of excesses, and the other that of postponing liabilities, the tendency of the Treasury under the present ordinary course of administration would be not to hold so strong a view as to the danger which they thought it their duty in former times to lay before the Committee; but at the same time I do feel that there is an objection which still remains, though its validity may be weakened in letting Departments think that they are at liberty to spend more money than Parliament has put at their disposal.

73. I understand you to justify the course which the Treasury took in the past from a historical point of view, because of the extreme importance of curing the Department of the tendency to incur excesses?—That is so.

74. But that that battle having been won, you are ready very carefully to consider now whether the time has not come to check the other evil, namely, the postponement of payments which are fully due; and whether there is really any great danger that excesses will be incurred if you insist upon those postponements not taking place?—The way in which I should like to put it to the Committee is this: the utmost deference is due of course by the Treasury to wishes expressed by the Committee of Public Accounts, and I think if the Committee will turn back to what has been the usual course of proceeding, they will find that the line the Treasury has taken, when it has not been able to accept at once the recommendation of the Committee, has been to bring the matter before Parliament at a subsequent time, and to ask a re-consideration of it. I think in all cases where, as in this case, the Treasury would admit that it is a question of two evils, of which you are to choose the least, after the Committee has heard what the Treasury has to say, the feeling of the Treasury would be that upon a decisive expression of opinion by the Committee the course which is preferred by them would be carried out.

75. (To Mr. *Primrose.*) Then it only remains for me to ask with regard to this particular point of opening Constitution-hill, the expenditure being unforeseen at the time of the Estimate on that item, how came it that the Office of Works did not come to Parliament with a Supplementary Estimate for that expenditure?—I think we should certainly have done so but for feeling that we were to a certain extent authorised by the decisions of the Treasury on the various Reports of the Public Accounts Committee in case of necessity to postpone certain liabilities. On such a Vote as this there must always be at the end of the year considerable floating balances of liability arising from bills that have not matured, or which have not been sent in by contractors, or have not been fully examined and checked. That, on such a Vote as this, represents a considerable sum, possibly a few thousand pounds. It is very difficult for us to judge till quite the end, what the exact amount of that liability will be, and we hoped from the appearance of the Vote in January, when we were making up our minds whether or not to ask for a Supplementary Estimate, that we should be able to pay all bills that had fully matured, and had been fully checked and passed by the examiner for payment. We felt that we were running a certain risk, I must admit, but looking at the rules laid down by the Treasury we felt we were justified in doing that; and if a comparatively small amount should have to be carried over into the next year it would entail upon us the necessity in the next year of using rigid economy, so as to meet those bills out of the Vote for the following year; and that in effect is what has happened. When we found we had to carry over such a sum as this from the 1st of April last, we set to work to make every possible reduction we could, and throughout the whole of this year we have been endeavouring to recover that 3,000 *l.*, which, I think, we have succeeded in doing.

76. (To Sir *Reginald Welby.*) Does not the answer which Mr. Primrose has just given point to this, that if the principle of postponement is sanctioned by the Treasury there will be danger that Departments, knowing that they have the power of postponing payments, will not come for a Supplementary Estimate, when they otherwise ought to do so?—I think the Treasury are met here by a very strong instance which hardly falls within the rules which they endeavour to lay down. I think there is some misapprehension on the part of the Board of Works as to the intention of the Treasury in the matter. If the Committee will look at the Circular which the Treasury issued in 1886, which is printed at page 516 of the Index to the Reports, they will see it says, "That the primary rule to be observed by Depart-

Appropriation Accounts—Class I.

Vote 3.—Royal Parks, &c.—*continued.*

Chairman—continued.

ments is, that liabilities in excess of the grants of Parliament, that is, liabilities which in ordinary course should be paid within the financial year to which the grant applies, must not be incurred." I have no doubt it arose from a misapprehension as regards that point; but this was an expenditure which, I think, probably the Board of Works themselves would admit might have been, and ought to have been, foreseen, and upon which a consultation with the Treasury would have taken place as to whether a Supplementary Estimate should not have been taken. As that consultation did not take place, no doubt under a misapprehension, I could not admit that this is a case which falls within the rules as contemplated by the Treasury.

77. Still it would be difficult to deny that it points to a danger if the principle of postponement is sanctioned by the Treasury?—Of course every liberty of that kind may be carried to an undue point.

Mr. *Jackson.*

78. (To Mr. *Primrose.*) This payment in connection with the opening of Constitution-hill was not a service contemplated in the original Estimate, was it?—No; it came in course of the Session.

Mr. *Sydney Buxton.*

79. When was this opening of Constitution-hill decided upon by the Department; it was soon after the beginning of the year, was it not?—I think it was in the spring of 1889, in March or April; it was in the early part of the Session.

80. In the early part of the financial year?—Yes. (Sir *Reginald Welby.*) The First Commissioner announced the fact in July.

81. (To Mr. *Primrose.*) So that there would have been plenty of time to have introduced a Supplementary Estimate?—Yes. (Sir *Reginald Welby.*) The First Commissioner of Works, however, informed the House of Commons at that time that he did not think that this would make it necessary to take a Supplementary Estimate.

Mr. *Wodehouse.*

82. (To Sir *C. L. Ryan.*) Are you of opinion that the practice of postponement may be now fairly called a "common expedient" among the Departments?—I think that that, perhaps, is rather a broad way of putting it. It is not at all a common expedient. You have two cases before you in the same class of the Estimates now before the Committee, this Vote and another Vote further on, namely, that for Peterhead Harbour. With regard to the action of the Audit Office in the matter, if a note appears upon the account, under the Treasury Circular, I should consider the action regular, and should not think it necessary to call the attention of this Committee to it.

Appropriation Accounts—Class I.

Vote 3.—Royal Parks, &c.—*continued.*

Mr. *Wodehouse*—continued.

83. Do you incline to think that the practice is a growing one?—I think any practice of that sort, which is sanctioned, has a tendency to grow, because it is an expedient for meeting a difficulty which is constantly liable to occur.

84. And you ascribe this in part to the view of the matter taken by the Treasury?—The Departments are acting under express Treasury directions. I have a Circular which the Treasury sent out on the point of postponed payments. They say here: "In such cases my Lords regard the postponement of liabilities, which, although matured, do not press for immediate discharge, as a course which may legitimately be adopted in order to avoid or diminish an excess." Therefore the Treasury here lay it down as a legitimate course.

85. (To Sir *Reginald Welby.*) As the Treasury has in your judgment successfully combated the evil of incurring excesses, do you not think that the Treasury could now with advantage exercise its power rather in the direction of checking the practice of postponement?—I do not quite agree with Sir Charles Ryan as to its being a growing practice. From what I have seen there is, I should venture to say, very little abuse of the discretion (if I may so call it) given by the Treasury; that, however, must be a matter of opinion. I have already said that the Treasury's original reason for the strong line which they took upon the subject, has been met to a certain extent by the most satisfactory regularity which now prevails in the Public Accounts, and so far, the weight of the argument of the Treasury is lessened; and I have also said that I think the Treasury, in the presence of a strong expression of opinion by the Committee of Public Accounts, would think it their duty to defer to it, especially as it is a choice between two difficulties. Of course, as soon as ever the Public Accounts Committee has given its sanction to the idea that excesses may be permitted, the same danger will arise on the other side, that is to say, if the Departments are now tempted to postpone on account of the discretion given by the Treasury, they will in like manner be tempted to incur excesses under the authority of the Public Accounts Committee; there is a danger on both sides.

Mr. *Donald Crawford.*

86. With regard to your last observation, is it not the case that the evil which we want to guard against consists exclusively in incurring liabilities which have not been authorised by Parliament, and, consequently, it is quite immaterial, so far as that is concerned, whether it is done by way of excess or by way of postponement?—I am not sure that I quite follow the honourable Member, when he uses the expression "not sanctioned by Parliament." An excess may occur upon a service sanctioned by Parliament,

25 *February* 1891.] Sir R. Welby, K.C.B., Sir C. L. Ryan, K.C.B., Mr. Spring-Rice, and Mr. Primrose, C.S.I. [*Continued.*

Appropriation Accounts—Class I.

Vote 3.—Royal Parks, &c.—*continued.*

Mr. *Donald Crawford*—continued.

ment, and the only difficulty that I can foresee is when the Department has come to the limit of the actual credit, so to speak, given to it by Parliament. I do not know whether the honourable Member means that the irregularity consists in exceeding the limit at the disposal of the Department.

87. That was what I meant. I had in my mind the passage in the Treasury Circular of 1886, which has been already read: "The primary rule to be observed by Departments is, that liabilities in excess of the grants of Parliament, that is liabilities which in ordinary course should be paid within the financial year to which the grant applies, must not be incurred." That is the principle which I wanted to call your mind to. Now, if that is so, we should not be incurring a fresh danger, should we, if the Committee decided to recommend that it was better to do it by excess than by postponement?—No, I think on either side there is a difficulty, and I think it is quite open to the Committee, if I may say so, to consider that permitting excesses is the lesser of the two difficulties; but I must still hold that there is a danger in ever saying to a Department that they are at liberty under any circumstances to spend money which Parliament has not granted. The only justification of an excess in my mind is, that a Department has not been able to ascertain the exact position in which it stands on the 31st of March, and has inadvertently gone over the limit which Parliament puts at its disposal. I do not like the idea of sanctioning the principle that a Department may spend one penny in excess of the sum that Parliament has granted them.

88. All that I wanted to bring out was, that if the Committee, and the Treasury ultimately concurring with them, were to say, if such liabilities are incurred they had better be incurred by excess than by postponement, that determination would not really be giving any encouragement to incurring liabilities in excess, would it?—I think the efforts of the Treasury on their side and of the Comptroller and Auditor General on his side would be to prevent any abuse of the discretion so given, and therefore I have very little doubt there would not be any great evil arising out of it.

89. (To Sir *C. L. Ryan.*) I suppose there are some kinds of liability of that kind which could not be met by postponement; in the case of the county courts excess, for instance, which we had before us at the last meeting, a large part of the excess consisted of salaries; would it be possible to postpone the payment of those salaries?—It would have been impossible, I think. The county courts excess was caused by the increase of business. It is automatic; for a certain increase in the plaints a certain sum is paid in salaries, and it would have been impossible without breach of faith for the accounting officer not to have paid those salaries as they became due.

90. It is not very difficult to distinguish in principle between the payment of salaries and the payment of tradesmen's bills?—One of the reasons why I have not been able to concur with the Treasury in view of the heinousness, if I may so speak, of excesses has been the fact that excesses are in several cases really no offence at all, and you cannot paint with the same brush an excess which arises from carelessness in a Department and one which arises from action outside of the Department and which they cannot prevent in a case where they cannot pospone the payment. And I always attach very great importance to the fact that excesses are not passed over leniently by this Committee, but they are brought specially before the Committee, and a witness has to come and explain, and the Committee severely take him to task if it can be shown that his Department ought to have come for a Supplementary Estimate and have not done so. There is a weight of responsibility with regard to excesses that does not exist with regard to the postponed payments, which, if the Treasury directions are complied with, are not even noticed in my Report.

Sir *Richard Temple.*

91. (To Sir *Reginald Welby.*) If due care is exercised regarding Supplementary Estimates, will not the two difficulties of excess and postponement be avoided?—To a very great extent; but cases will happen in departmental management, especially where large Votes are concerned, in which a Department really does not know exactly how it stands until it is too late for them to be able to take a Supplementary Estimate.

92. But such cases would be rare, would they not?—They ought to be rare.

93. Now, as regards the question of a postponement or an excess being the lesser or the greater evil, does not postponement strike at the root of our financial system; does not it imply that besides the charges in the audited expenditure of the year there are certain unknown liabilities going on to next year; is not that contrary to the whole principle of our national finance?—That is an irregularity, no doubt; but on the other hand is it not a greater attack upon the principle of our finance for a Department to take money which does not belong to it. A Department when it exceeds its Vote is taking money which absolutely does not belong to it, and to which it has no right.

94. But in that case the irregularity is known and overt, whereas in the other case it is unknown and covert; does not that make a difference?—In the second case an endeavour would be made to meet it by requiring the Department to state the fact of postponement, as is done in this

25 *February* 1891.] Sir R. Welby, K.C.B., Sir C. L. Ryan, K.C.B., Mr. Spring-Rice, and Mr. Primrose, C.S.I. [*Continued*

Appropriation Accounts—Class I.

Vote 3.—Royal Parks, &c.—*continued.*

Sir *Richard Temple*—continued.

this case as regards the Board of Works where the fact is notified at the foot of the Appropriation Account. If that rule is observed of course the objection that the postponement would not be known is removed.

95. (To Mr. *Primrose.*) Do I rightly understand that this note at the bottom of page 9 refers to Sub-Head E., "New Works, &c."?—I think it would be principally under Sub-Head F.

96. Was the 1,800 *l.* under Sub-Head F.?—The 1,800 *l.* was all charged to Sub-Head E.; but the particular bills which were included in the 3,000 *l.* would fall mostly under Sub-Head F.; possibly some of them under Sub-Head E. I have not got the list here.

97. Then I suppose that the 1,800 *l.* is partly represented by the 1,239 *l.* of excess, is it not?—Yes.

98. I suppose some of the postponed bills then must relate to the difference between the 1,239 *l.* and the 1,800 *l.*?—Yes, that would be so.

99. The remainder, I suppose, comes under Sub-Head F.?—Mainly under Sub-Head F. Perhaps I might be allowed to refer to one point in explanation of what I said just now about our saving on this year. What I had in my mind was the passage in the Treasury Minute on page 515, where the Treasury says, "It diminishes the sum at the disposal of the Department for the next year, and makes it necessary for the Department either to exercise economy or to come to Parliament and ask for a Supplementary Grant." On a Vote like this, which is a continuing service, of course on any 31st of March it would be necessary to come to Parliament for more money supposing the service was going to come to an end then and there; because we must have incurred certain liabilities not provided for in the Vote of the year. The question is what the amount of those liabilities would be. As I said, they always represent a considerable sum, and if they are larger in one year than another the deficit falls upon the following year, and we have to exercise economy and meet it out of the year.

Chairman.

100. But when the Treasury speaks of exercising economy rather than coming for a Supplementary Estimate, does not it mean economy in works, economy in service and in things done, and not economy in postponing payments?—I have rather understood it as meaning on the average of two years. On a Vote like this there must be a certain amount of discretion in administering the service, and I read the Treasury Minute as meaning that it is desirable in the interests of economy rather to put pressure upon the Departments to save in the second year if they have spent a little too much in the year before. If in February last we had asked for a Supplementary Estimate of 3,000 *l.* there would have been in the two years 3,000 *l.* more spent upon the parks. Therefore, leaving for the moment the question of financial regularity, and looking to the practical effect, the practical effect has been to save 3,000 *l.*

Chairman.

101. (To Sir *Reginald Welby.*) To come back to the point with which that last question and answer began, I suppose that when the Treasury recommend that a Department should exercise economy rather than come for a Supplementary Estimate, it is meant that they should cut down works and services and not incur liability?—Quite so.

102. Not that they should postpone payment?—No.

103. (To Sir *C. L. Ryan.*) To sum up the whole thing, I gather that your view is, that if the Public Accounts Committee and the Treasury condemned sufficiently emphatically and practically the incurring of liabilities beyond those which have been sanctioned by Parliament, they will guard both against excesses and against any alternative evil?—I think so.

104. And that both these very great evils, namely, the system of the postponement of payments, and the system of excesses, need to be guarded against by some such dictum?—Clearly.

105. But of the two evils, I gather that you consider the postponement of payments fully matured, and due, the worse?—I do.

Sir *Richard Temple.*

106. (To Mr. *Primrose.*) These bills, amounting to 3,000 *l.*, have all been paid since, have they not?—Yes, they were paid immediately after the 1st of April.

On Vote 18.

Peterhead Harbour.

Chairman.

107. (To Sir *C. L. Ryan.*) I observe that a similar question arises on paragraph 2 of the Comptroller and Auditor General's Report on this Vote. He there points out that the sum of 600 *l.* is included in the amount of expenditure charged to Sub-Head A., being part payment of a contractor's claim for waggons delivered, and that the balance of the claim, amounting to 910 *l.*, has been postponed in order to avoid incurring an excess on the amount voted for this service. In this case there is the additional vice, as I take it, that one part of the payment is put into one year's and the other into the other year's expenditure, which is a thing that has been condemned before?—That, of course, follows in postponing payments ordinarily, or at least very often. It does not necessarily follow, but it does in this case.

25 *February* 1891.] Sir R. WELBY, K.C.B., Sir C. L. RYAN, K.C.B., Mr. SPRING-RICE, and Mr. PRIMROSE, C.S.I. [*Continued.*

APPROPRIATION ACCOUNTS—Class I.

Vote 18.—Peterhead Harbour—*continued.*

Mr. *Jackson.*

108. Is anything known of what the terms of the contract were?—I cannot say. The waggons had been actually delivered.

109. But they might not have had to be paid for for six months?—The note on the opposite page explains that the money was due, but payment was postponed to avoid an excess.

Chairman.

110. (To Sir *Reginald Welby.*) Has the Treasury anything to say in justification of this postponement?—It has not come before us.

Mr. *Barran.*

111. Am I right in supposing that during the year to which these questions refer there was no excess of expenditure, an unusual circumstance in connection with the Treasury?—I think the Committee recommended three excesses to be taken this year.

Chairman.

112. But there was a year in which we had no excesses?—Two years ago there were no excesses.

Mr. *Barran.*

113. That is not the year referred to in these questions?—That was in the year 1887-88.

[Sir *Reginald Welby* withdrew.

Chairman.

114. (To Mr. *Spring-Rice.*) Can you give any explanation upon the point to which the Comptroller and Auditor General calls attention in paragraph 3 of his Report on this Vote, with regard to the large payment of 456 *l.* 6 *s.* 5 *d.* for commission for measuring and valuing the work done at Peterhead?—That was in accordance with a desire expressed by the Treasury earlier in the proceedings about the works at Peterhead, to the effect that there should be an independent surveyor called in to measure the work from time to time, and see whether, so far as could be judged, there was any likelihood of the total estimate for the harbour works being exceeded, judging from the expenditure up to date. A gentleman was employed for that purpose, and he was paid a commission of 10 *s.* per cent., that is, a half per cent. on the cost of the works, and his travelling expenses, and this payment represents the commission on the works as measured by him at the date of his visit.

115. That was on the whole value of the work done at Peterhead from the commencement of the harbour works?—Yes; this was the first time he had been called in.

On VOTE 9.

COUNTY COURT BUILDINGS.

Chairman.

116. (To Mr. *Primrose.*) It seems that payments have been continued during many years to

APPROPRIATION ACCOUNTS—Class I.

Vote 9.—County Court Buildings—*continued.*

Chairman—continued.

the registrar of the county court at Leigh for providing a court-room in the town-hall, after the court had been removed to the new county police building; I should like to ask you how such a mistake could go on so long?—The reason of that is that we made the same mistake as I think Mr. Holden seems to have made, of regarding the payment of 35 *l.* a-year, not as a reimbursement of expenditure to him, but as an allowance to cover the cost of providing accommodation in court, in the same way as he is given an allowance of 30 *l.* a-year to cover the cost of providing offices for the county court.

117. But from the letter from Mr. Plunket on page 45, he seems, as a matter of fact, to have received from the Exchequer in payment for the court sittings in the police buildings 230 *l.* more than he had disbursed?—That is so, because we paid the 35 *l.* every year without receiving vouchers for his payments, on the supposition that we were not reimbursing his expenditure, but were paying him a fixed allowance of 35 *l.* a-year. In that I think we were wrong; and we came to the conclusion that we were wrong in 1889, and therefore we reclaimed the difference between the amounts we had paid him and the amounts he had actually paid.

118. But eventually you seem to have compromised the matter, and to have recovered from his son only half the amount?—Yes.

119. I would like to ask you on what principle you allowed as much as half the amount to Mr. Holden's son?—We did not think that the case was perfectly clear, and even now on looking at it I do not feel at all clear. I have here the Treasury letter of 24th April 1865 which authorised the payment. This letter was addressed to W. R. Drake, Esq., afterwards Sir William Drake, who was then the treasurer of county courts, and it runs as follows: "With reference to your letter of the 21st ultimo, I am directed by the Lords Commissioners of Her Majesty's Treasury to authorise you to allow 30 *l.* per annum for the rent of the registrar's office at Leigh, and 35 *l.* per annum for the rent of the County Court House at that place." On that, Mr. Holden took it that these were two allowances, one of 30 *l.* for the registrar's office and the other of 35 *l.* for the court accommodation, and that he was not called upon to render accounts for it; and we have always regarded it in that light too.

120. (To Mr. *Spring-Rice.*) Did the Treasury take the same view, or how came they to approve of so small a part of the 230 *l.* being recovered?—Upon the statement made to the Treasury by the First Commissioner of Works, the Treasury thought that his proposal was, taking all things into consideration, as much as they could fairly expect the present registrar to pay; and, accordingly, in a letter which I have here, which is not printed, they authorised the First Commissioner to come to terms with the present Mr. Holden as proposed by him in his letter of the 5th of November 1889.

Appropriation Accounts—Class I.

Vote 9.—County Court Buildings—*continued.*

Chairman—continued.

121. (To Sir *C. L. Ryan.*) I observe you comment upon the circumstances under which the Treasury have consented to this remission as being of an unusual character, and you therefore called attention to them?—Yes, I did so. I was not aware of the letter which Mr. Primrose has read, which might give rise to the idea that it was an allowance. I could not understand how the Office of Works could have allowed this payment to have gone on so long without calling attention to the fact that no services were rendered for it.

Appropriation Accounts—Class I.

Vote 9.—County Court Buildings—*continued.*

Mr. *Wodehouse.*

122. Now that that letter has been brought to your notice, does it modify your opinion?—It would rather modify my opinion, but I should in any case have noticed this as being an unusual transaction. I never take the responsibility, where the transaction is one of an unusual character, of passing it entirely on my own authority, but I bring it before the attention of Parliament so as to afford this Committee an opportunity for raising any question they may wish upon it.

[Mr. *Primrose* withdrew.

On Vote 17.

Lighthouses Abroad.

Mr. Allen Stoneham, called in; and Examined.

Chairman.

123. Is the detailed information, which has not hitherto been afforded in regard to the salaries of the light-keeper and other officers to be included in the Estimates in future?—The form of the Estimates is settled by the Treasury, and the Board of Trade has received no instructions.

124. Have you any instructions to carry out this recommendation?—No.

125. Then the additional information has not yet been given?—It has not yet been given.

Chairman—continued.

126. (To Mr. *Spring-Rice.*) Would the Treasury concur with Sir Charles Ryan in the opinion that it would be better to give this information in the Estimates?—The suggestion seems well worthy of consideration. It had not come before us at the time when the Estimates now in course of publication were being dealt with, but I think next year it will be decidedly worthy of consideration whether some details should not be given of these two items.

Class II.

Salaries and Expenses of Civil Departments.

On Vote 1.

House of Lords Offices.

Chairman.

127. (To Sir *C. L. Ryan.*) Would you be so good as to explain to the Committee in what manner you audit the Fee Fund Account of the House of Lords?—The fees of the House of Lords are levied on Bills, appeals, taxation of costs, and miscellaneous items. The greater part of the necessary information for the examination of these various documents is derived from the Minutes of Proceedings. Those Minutes are examined by us, and the amounts chargeable are assessed by comparison with the authorised schedule of fees, and then they are carried into the various books. The fees upon the Second and Third Readings of Bills are checked by the

Chairman—continued.

reference to the Bills themselves. Other fees that arise on Bills and appeals are checked by papers supplied to my Department by the Judicial Office and Private Bill Office. The fees on taxation of bills of costs are checked from the certificates of the taxing officer. Miscellaneous Fees include those on introductions and translations, which are checked from the Minutes; and various small receipts for inspections and copies of documents which are shown in the Order Books. The result of the examination is that, practically, a really substantial and good check is maintained over all the receipts and fees in the House of Lords.

25 *February* 1891.] Sir C. L. Ryan, K.C.B., Mr. Spring-Rice, and Mr. Stoneham. [*Continued.*

Appropriation Accounts—Class II.

On Vote 2.

House of Commons Offices.

Mr. W. A. Ferguson-Davie, called in; and Examined.

Chairman.

128. I think you attend by the wish of Mr. Speaker in order to inform the Committee on a point which has come before them more than once. The Comptroller and Auditor General has mentioned in his Reports on the Vote for the House of Commons Offices that the Extra Receipts of the House of Commons Offices are not examined by his Department, as he has just told us that he examines those receipts in the case of the House of Lords; I believe that they are the subject of an audit by Mr. Speaker under the 12 & 13 Vict. c. 72, s. 6?—Yes. Clause 1 of that Act says that all money standing to the credit of "the Commissioners for regulating the Offices of the House of Commons" at the Bank of England on the first day of every quarter is to be transferred to the Exchequer within two days of the beginning of the quarter, and to form part of the Consolidated Fund. Clause 6 enacts that the audit by the Speaker of the Accounts of the Receiver of Fees, and sums payable in the several Offices and Departments of the House, shall be deemed and taken to be, in all respects, good and effectual, without any further audit of the said Accounts, and shall be a sufficient discharge and acquittance to the Receiver.

129. Would you be good enough to explain to the Committee what the process of the audit is in the case of Extra Receipts?—The Extra Receipts consist now entirely and exclusively of fees received in connection with Private Bills. In 1865 the Public Accounts Committee inquired fully into the system then in force for the payment of the fees, and in their Report expressed the opinion that the system was not quite satisfactory, but did not make any suggestions. Acting on this Report, and the evidence given, the Clerk of the House drew up a Minute in 1866, which I have here, by which it was provided that a complete audit of the Accounts should take place every week by the Principal Clerk of the Private Bill Office. By this arrangement the Principal Clerk in the Private Bill Office examines and endorses all Private Bills which the Clerk of the Fees assesses, and in the event of his not agreeing to the assessment marked on any Bill, he confers with the Clerk of the Fees on the point in doubt. Every week the various books containing the charges made to agents and the amounts received are sent down to the Private Bill Office, checked there, and the Bank of England pass book is produced to show that the amounts have been actually paid in. In this way any incorrect charge is immediately detected,

Chairman—continued.

and if any change is made in the amount originally charged the Principal Clerk of the Private Bill Office requires an explanation. It is open to him to inspect at all times the various returns supplied by the Committee clerks, and taxation returns, while the copying and inspection returns are supplied originally from his office, so that he has the means of checking their accuracy. In addition to this check the Clerk of the Fees every day inspects the Votes, the various returns, &c., and sees that every charge is duly entered, and, as far as lies in his power, takes care that there are no omissions in the returns furnished by the Committee clerks.

130. I understand that the clerk who carries out this audit is wholly unconnected with the Department which receives the fees?—Entirely and absolutely unconnected.

131. And also that the audit is of the nature of a continuous audit?—Yes, it goes on weekly.

132. Is this system which you have just described laid down by the Minute drawn up by the Clerk of the House which you have just referred to?—It is.

133. Would you like to hand in that Minute?—Perhaps that would be best. It is a Minute of Sir Denis le Marchant; I have already stated the substance of it, and I may say it is practically in force at this moment.

134. (To Sir *C. L. Ryan.*) Would the system which has just been described differ very materially from the system which you pursue with respect to the part of the Extra Receipts in the House of Lords?—I think not. I think it seems to be, so far as I can judge from what has been read, a very efficient system of audit of the fees.

[Mr. *Ferguson-Davie* withdrew.

On Vote 25.

Office of Woods, Forests, and Land Revenues, &c.

Chairman.

135. (To Mr. *Spring-Rice.*) The Comptroller and Auditor General calls attention under this Vote, and also Class III., Vote 1, to the fact that certain expenditure amounting, I think, to over 5,000 *l.* has been divided between two Votes, *i.e.*, this Vote and the Law Charges Vote; the justification which seems to be given, looking at the correspondence under Vote 1 of Class III. is, that the expenditure was incurred in the interests of the War Office, and that therefore it is only right that part of it should be included

Appropriation Accounts—Class II.

Vote 25.—Office of Woods, &c.—*continued.*

Chairman—continued.

under the Law Charges Vote; that, as I understand, has not the effect of making the War Office pay for it out if its Army Estimates?—Not exactly.

136. It is merely a question of account; the Law Charges Vote is distributed among various offices, and it does not very much matter to the War Office how much is debited to it?—Perhaps not; but on the other hand it has the effect of removing from the present Vote a charge which, in the opinion of the Treasury, was not a fair one to put against the Office of Woods.

137. The Comptroller and Auditor General rather suggests that the object of removing it was to prevent the incurring of an excess, or the necessity of a Supplementary Estimate on this Vote; that, then, was a surplus on the other Vote, and that for that reason it was removed; have you anything to say upon that suggestion?—I am afraid the Treasury cannot admit that that suggestion is well founded. In order to explain the circumstances, I ought to supplement what is stated in the Appropriation Accounts by saying, that this case has been going on for a good many years. It began in 1880, when a certain private person claimed the rights over the foreshore which was much wanted for the extension of the range at Shoeburyness; therefore the main purpose of raising the question was for Army Services. The next point to be noticed is that of this large tract of foreshore in dispute, by far the greater part was not under the Office of Woods at all; if it was under any Department it was under the Board of Trade under the Act of 1866. But after conference between the Departments, and on the advice of the Law Officers of the day, proceedings were initiated in the name of the Crown as being, technically, the more convenient way of raising the question at issue, and those proceedings were carried on through the various courts in the name of the Crown, and are now in the House of Lords. All this was done without the knowledge of the Treasury. In July 1889 the Commissioners of Woods reported the circumstances to the Treasury, the matter then having become financially urgent from the fact that the Court of Appeal had decided against the Crown with costs. Those costs amounted to a large sum after taxation; and the Commissioners of Woods strongly represented to the Treasury that it would be very unfair to treat this expense as really incurred for the benefit of the Office of Woods. The Treasury, after carefully considering the whole matter, took that view very decidedly, and communicated with the War Office in that sense. The War Office, not unnaturally, took time to consider the matter; and meanwhile the solicitors for the defendants became pressing for payment on account of their costs, and we were advised, not only that interest ran on these costs, but that there was no legal means of avoiding payment. Therefore it was necessary to make immediate payment, and the only fund at hand out of which it could be made was the Office of Woods Vote. That accounts for this payment of 3,000 *l.* and the consequential payment of 200 *l.* for interest. Subsequently the War Office agreed that the financial responsibility was substantially or mainly theirs, and the balance of the costs was paid on their behalf by the Treasury Solicitor (who is the Solicitor to the War Office) in ordinary course from his Vote of Law Charges. The case itself is now before the House of Lords, and the House of Lords may make an order as to costs, and in the event of that order being in favour of the Crown security has been taken from the defendants that the costs already paid should be recovered. The Committee will therefore see that the decision was purely on the merits of the matter, and without any reference to a Supplementary Estimate.

Appropriation Accounts—Class II.

Vote 25.—Office of Woods, &c.—*continued.*

Chairman—continued.

138. Leaving that point for a moment, is it not the rule under the Exchequer and Audit Act that the costs should be charged against the Vote of the Department which has the administration of the service?—I think that rule is not a universal one; for example, there are plenty of instances in which the Departments are recognised as acting as agents for other Departments.

139. You would hold that in this case the Office of Woods really acted as an agent for the lawyers acting on behalf of the War Office?—Yes; that is the view of the Treasury.

140. (To Sir *C. L. Ryan.*) What do you say upon these explanations?—My answer would be that the whole of the sum should be charged against the Law Charges Vote. If this was purely a War Office matter, which has been conducted by their solicitor on their behalf, and if the interest lay entirely with the War Office, then the whole of the charges should be charged against the War Office Vote, and no part against the Office of Woods. It is the division to which I object.

141. It is quite irregular to divide it at all?—I never knew a case of that kind. The question is what Department is charged with the administration, or rather responsibility in the matter.

142. What do you say, in answer to the point that it was necessary to make a payment to avoid the payment of interest, and that the only fund out of which the payment could be made was the money which had been voted to the Office of Woods Department?—I should say in this case the money had not been voted for this purpose in the Office of Woods Department if they were not conducting the service; and therefore it was not a charge against their Vote.

143. You mean if they were only conducting it as agents?—If they were only conducting it as agents.

144. (To Mr. *Spring-Rice.*) Have you anything more you would like to say with regard to this point?—I should like to say that the matter having

Appropriation Accounts—Class II.

Vote 25.—Office of Woods, &c.—*continued.*

Chairman—continued.

having now for the first time been brought before the Treasury in this form they would be disposed to agree generally with the view of the Comptroller and Auditor General that the whole should have been charged to one Vote, and that Vote the Law Charges Vote.

Mr. *Jackson.*

145. But that does not carry with it the ultimate apportionment of charge, does it?—The case is a very complicated one; but the view of the Treasury I think was that this expenditure was substantially incurred for Army purposes, and therefore the whole, or substantially the whole, of the expenses of it ought to be put where an Army expense would have been put in ordinary circumstances.

146. But when you say "substantially," that does not mean necessarily the whole; does that preclude the appointment of any portion at all to the Office of Woods Vote?—No; I do not think it would preclude it. (Sir *C. L. Ryan.*) Probably it would be a revenue charge.

147. That is what makes the difference in this case; it is not as if it were a question as between the War Office and the Admiralty Vote, both of which come out of the same pocket so to speak; but in this particular case it is a separate account; the revenue of the Woods and Forests is treated as a separate revenue from the general revenue?—Yes, and it is very probable that when the suit is finished, and, when it is ascertained what portion was really valuable to the revenue for the purpose of revenue, then the charge should fall upon the Office of Woods revenue, not upon the Vote in any case.

Appropriation Accounts—Class II.

Vote 25.—Office of Woods, &c.—*continued.*

Sir *Richard Temple.*

148. But if the whole had been charged to the Law Charges Vote of the War Office, might it not have caused an excess there?—Very possibly; I do not know how that might be, but that is not the question I had to consider. (Mr. *Spring-Rice.*) It will be seen that there was a considerable margin on that Vote.

149. But was no provision made for this charge in the Woods and Forests Vote?—I am not aware that there was.

150. Then this charge came upon you quite unexpectedly?—The circumstances, at all events, of the case were quite new to the Treasury in July 1889, which the Honourable Member will observe was when that year was well in progress.

151. Did this charge come unexpectedly upon the Office of Woods and Forests?—I have no doubt that the Office of Woods and Forests must have known that litigation was going on, because it had been going on for years; but they could not tell what would be the result of that litigation. They had the decision of the Court of First Instance in their favour.

152. But I understand that they had not made any provision for it in the year?—I am not aware that they had; there was no overt provision, that is, none that the Treasury knew of.

153. And they had no definite anticipation either?—No; if they had won the case in the Court of Appeal they would not have had to pay any costs.

154. In fact the occurrence of the charge itself was quite uncertain and merely dependent upon the decision of the Court; there might have been no charge if the decision had been otherwise?—There might have been none.

On Vote 27.

Mercantile Marine Fund (Grant in Aid).

Mr. Allen Stoneham, re-called; and further Examined.

Chairman.

155. I am glad to see that the surplus of receipts over expenditure which you told us in your evidence last year you anticipated would amount to 20,000 *l.* on the 31st March 1890, was actually even a little more than you anticipated?—Yes.

156. How is that matter going on now?—At the present moment the Board of Trade have invested 80,000 *l.* in Consols, and there is a balance of about 15,000 *l.* in cash, so that I have no doubt at the end of the current year there will be a balance of something like 100,000 *l.*

157. So that there has been a very great improvement within the last two or three years?—Quite so.

158. With respect to the loan from Greenwich

Chairman—continued.

Hospital, I observe that no part of that has been repaid; have any steps been taken in the direction of repaying the 200,000 *l.*?—The loan was made for a period of 10 years certain. No official step has been taken, but I sounded the Admiralty officers, and there seems to be an unwillingness to accept repayment until the period should run out. As soon as the Board of Trade have 100,000 *l.* at their disposal, no doubt an effort will be made through the Treasury to make a repayment of the amount, or some part of it.

159. (To Mr. *Spring-Rice.*) On paragraph 3 of the Comptroller's and Auditor General's Report, I see certain arrangements with respect to the Mercantile Marine Fund were agreed on between the Board of Trade and the Treasury

Appropriation Accounts—Class II.

Vote 27.—Mercantile Marine Fund, &c.—*continued.*

Chairman—continued.

for a definite number of years, and that that arrangement was continued up to the end of 1890-91 pending the report of a Departmental Committee; can you tell us, on behalf of the Treasury, which was represented by Sir Reginald Welby on that Committee, what proposal has been made?—The Committee has reported generally on the Mercantile Marine Fund, and its report is now under the consideration of the Government, and in the meanwhile the old arrangement has been continued for another year, that is to say, up to the 31st March 1892.

160. (To Sir *C. L. Ryan.*) I noticed that you state in your Report that a new form of account which you think will be a greater improvement will be shortly adopted by the Board of Trade?—That account has been sent to me; I think it will be an improved form, and I hope it will be adopted for the coming year.

161. Has that been actually arranged?—Yes, I think it is arranged.

(Mr. *Stoneham.*) Yes, that is so.

162. (To Sir *C. L. Ryan.*) Has anything been done as regards the rendering of accounts of receipts and expenditure on account of disused lighthouses?—I have asked the Board of Trade whether they received any monies or received any accounts in respect of these disused lighthouses, and the answer I received was that they had sent a letter to the Trinity House on the subject, and that as soon as a reply is received it shall be communicated to me; but I have received no further communication on the subject. (Mr. *Stoneham.*) Within the last week I think accounts have been received from the Trinity House, showing receipts on account of disused lighthouses to the extent of 1,408 *l.*

163. They will no doubt be communicated to the Comptroller and Auditor General, which is, I understand, all that is required; is there any striking result appearing upon those accounts which you would like to mention?—The accounts also show an expenditure of 997 *l.* out of that total; that expenditure will of course have to be criticised before it is submitted to the Comptroller and Auditor General.

164. The Comptroller and Auditor General in paragraph 8, tells the story of the circumstances under which nine shipwrecked mariners were detained for a period of seven and a-half months on Bryon Island, in consequence of one of the crew having died of small-pox previous to the loss of the vessel; he states that in his opinion a larger proportion of the expenditure should have been claimed from Canada; how came it that so small a part of the charge was borne by the Canadian Government?—I think the Board of Trade had no legal claim upon the Canadian Government. An appeal was made to the Canadian Government, and they proposed to pay one-half; and the Board of Trade thought

Appropriation Accounts—Class II.

Vote 27.—Mercantile Marine Fund, &c.—*continued.*

Chairman—continued.

that was a reasonable settlement; in fact they were very glad to get the money.

165. Perhaps you would rather put it in this way: that it was a surprise that you obtained the money; it seems hardly the proportion that the Canadian Government should equitably have borne?—It was as much as we thought we could have obtained.

166. You do not think that you could have made a better bargain?—I think not.

167. (To Mr. *Spring-Rice.*) Do you agree with the Comptroller and Auditor General that a charge to which he draws attention to in paragraph 9, appears in this Vote, which should have been charged under Law Charges, Sub-head I., of the Board of Trade Vote, where provision is made for expenses of this kind?—No; the Treasury do not quite take that view, and do not admit that a provision under the Vote for Legal Expenses under the Merchant Shipping Acts necessarily implies that all legal expenses incurred by the Board of Trade under those Acts should be chargeable there. This case was one of an attempt to recover wages due to the crew of a Barbadoes vessel from the owner who was a Canadian, and the view of the Treasury was in effect that, however such charges might fall ultimately, they ought not to fall upon the taxes of this country.

168. And in order to avoid that they were charged on the Mercantile Marine Fund?—Perhaps in suggesting a reference to the Mercantile Marine Fund the Treasury rather exceeded its functions. The Treasury may be taken to confine itself to the opinion that this was not a proper charge upon a Vote derived from the taxes of this country.

169. (To Sir *C. L. Ryan.*) Have you sufficient information before you to enable you to express an opinion upon the point whether it was an expense that could not properly be charged to the Votes?—I confess I did not form any such *primâ facie* opinion upon it, but the point which I had to decide was whether it was a proper charge for the Mercantile Marine Fund.

170. In that view the Treasury seem rather to have agreed with you?—The Treasury seem rather to admit that it was not within their function to charge it upon the Mercantile Marine Vote.

171. (To Mr. *Stoneham.*) Is it not rather a peculiar use of a fund for shipwrecked mariners to devote a large part of it, amounting to upwards of 500 *l.*, to paying the passage home by a ship belonging to a large line of steamers, of some of their own sailors who had been wrecked?—It is in accordance with the law.

172. Do you think, as the Comptroller and Auditor General points out that any such use of the funds was ever contemplated when the Act of Parliament was passed?—There is no doubt at all that in a great many instances the Act of Parliament is scarcely applicable to the existing condition

Appropriation Accounts—Class II.

Vote 27.—Mercantile Marine Fund, &c.—*continued.*

Chairman—continued.

condition of the shipping trade, inasmuch as in 1854, when the Act was passed, these large companies did not exist; but under one section of the Act all shipwrecked men have a right to be relieved, and under another section of the Act they have a right to be sent home at the public expense. Within the last month or two a further regulation has been made according to which a small amount shall be paid for the conveyance of shipwrecked seaman in ships belonging to the same owners.

173. But your answers point, I think, to the necessity of legislation?—That has been before the Board of Trade for many years, and a Bill was prepared as long ago as 15 years.

174. Could these sailors be properly described as "distressed British seamen found abroad"?—It is very possible; they had wages due to them. But I fancy the law as it at present stands is a remnant of the old law by which freight was the mother of wages. Under the old law when a ship was wrecked a seaman had no claim to wages, and he was necessarily "distressed." That law was abolished, but the consequence of that law as affecting the seamen was not dealt with.

175. I see that sometimes these great lines of steamers have the grace to afford passages home gratis to their seamen, but in this case that seems not to have been done?—It was not done in this case, and the Board of Trade were threatened with an action a short time ago from the owner of a large line of steamers when they refused or tried to modify his claim.

176. Is it the business of the Board of Trade or the Treasury to initiate legislation on the question?—The Board of Trade.

177. Is the Board of Trade taking it into consideration?—There are several Bills which have been prepared on the whole question of the repatriation of seamen, and it is also dealt with in a Report now under consideration of the Treasury.

Mr. *Wodehouse.*

178. Have any of those Bills been introduced into Parliament?—Yes, some fifteen or twenty years ago.

Appropriation Accounts—Class II.

Vote 27.—Mercantile Marine Fund, &c.—*continued.*

Mr. *Wodehouse*—continued.

179. Was that the last time?—I should not like to pledge myself as to the time, but Bills have been before Parliament.

On Vote 39.

Public Works Office (Ireland).

Chairman.

180. (To Mr. *Spring-Rice.*) There seems to be entered upon the Account of the Public Works Office in Ireland under the head of "Miscellaneous Receipts," Shannon Navigation, a sum of 416 *l.* 17 *s.* 6 *d.* received from the Clara and Banagher Railway Company; but it seems that that money was really advanced to the company by the Government; the company "had no funds beyond what they obtained from the Government;" and that negotiations for the purchase of this property had extended over several years during which apparently the company had used the property, and had never been charged with rent or with interest. The Comptroller and Auditor General naturally calls attention to all these very peculiar circumstances; have you anything to add to the point?—The Treasury have, as the Committee will see, already expressed their opinion that the transaction was not a satisfactory one.

181. Now apparently the Treasury have issued an *ex post facto* sanction for the omission to raise a charge for interest against the company?—There seemed no option but to do so.

182. (To Sir *C. L. Ryan.*) I am afraid you have nothing to suggest with regard to this?—I have not.

183. I observe in paragraph 5 of your Report that the promise which the Board of Works have made to you with respect to stores has only been carried out with respect to Kingstown, and that at all the other depôts the system has undergone no change; have you as yet received any reply to the pressure which you have put upon the Board of Works upon the subject?—Yes, I have; but I think the matter is hardly ripe for further consideration. I propose to look into the depôt at Kingstown this year through my officer in Ireland, and to bring the matter up again for further consideration if necessary.

25 *February* 1891.] Sir C. L. Ryan, K.C.B., Mr. Spring-Rice, and Mr. Stoneham. [*Continued.*

Appropriation Accounts.

Class III.

Law and Justice.

On Vote 3.

Supreme Court of Judicature.

Mr. Thomas Lewis, called in; and Examined.

Chairman.

184. (To Mr. *Spring-Rice.*) I observe it has been necessary to open a new Sub-Head for "Fees to Commissioners of Assize;" are not the Commissioners of Assize employed every year?—I am informed that there are associated with the Judges in the Commission of Assize Queen's Counsel who may, and not unfrequently do, discharge a certain amount of the work of the assize; but speaking very generally up to a certain point they do that work without remuneration; it is only when a very special appointment has to be made for a whole circuit, or, for an appreciable part of the circuit, that a charge falls upon the public funds.

185. That accounts for the fact that no provision is made in the Estimates for the payment of Fees to Commissioners of Assize?—Yes.

186. Is there a fixed scale on which such payments are made?—I believe it has been usual to give them 500 guineas when they are appointed for the whole assize.

187. (To Mr. *Lewis.*) I believe you appear here on behalf of Sir Henry White, the Assistant Paymaster General for Supreme Court business?—Yes.

188. Can you give the Committee any information upon the question whether there is a scale on which the Commissioners of Assize are paid?—It has been an unusual charge to make: we have not had to account for such a charge before, and I am afraid I am not able to give you any information as to why it is.

189. (To Mr. *Spring-Rice.*) Then perhaps the Treasury will follow up that point, and probably further information will be given to the Committee later?—Yes. I think I may say that there have been precedents for such a payment. I may add, in explanation, that this Vote has not always been under the control of Mr. Lewis's office. The Treasury will, if desired, put in a statement as to precedents.

190. Perhaps you would mention at what stage the payments began, and whether there is any fixed rule or fixed scale?—I will procure such a statement for the Committee.

191. It appears in paragraph 3 that as far back as the year 1885 the Lord Chancellor's attention was called to the necessity of establishing an uniform system for all the legal Departments in the matter of scrivenery, and that the Comptroller and Auditor General has made inquiries on several occasions whether any steps were being taken to give effect to the intentions

Chairman—continued.

of the Treasury upon this subject, but he has been unable to obtain definite information upon the point; can you give the Committee any information?—The latest information before the Treasury is that the Lord Chancellor has under consideration the proposals of a Committee which has been considering the whole question of scrivenery in the Supreme Court, especially that in the Registrars' Office, which is the largest item. These proposals, if adopted, would greatly reduce the amount of the scrivenery, and that being so, it is considered expedient not to deal with these questions raised in the Comptroller and Auditor General's Report as to the exact way in which scrivenery is paid for until it is determined how much scrivenery will in future be required.

192. Can you say how much longer those inquiries are likely to take?—I am not in a position to say when the Lord Chancellor will be able to come to a conclusion.

193. (To Mr. *Lewis.*) Can you give us any information upon the subject?—A Committee has been appointed, and has sat upon this question, and a Report has been made to the Lord Chancellor. Perhaps, if this Committee were to call for that Report, it would give a sufficient answer to the inquiry.

194. Could that Report be laid before this Committee?—I am not aware whether it could be laid before this Committee, but such a Report has been made. (Mr. *Spring-Rice.*) Being a Report to the Lord Chancellor, it would *primâ facie* not be of a nature to be laid before a Parliamentary Committee.

Mr. *Wodehouse.*

195. (To Mr. *Lewis.*) How long ago was this Report made?—In January of last year.

Chairman.

196. In the next part of the same paragraph the Comptroller and Auditor General comments upon the system of payment in force in the Chancery Registrar's Office, where the work is practically "farmed out" to a salaried officer of the Supreme Court, who is allowed a fixed rate in respect of all the copying required by the various registrars. The Comptroller and Auditor General points out that between 2,000 *l.* and 3,000 *l.* passes through the hands of this officer each year, but the accounts do not show what portion of this amount is paid away to the copyists

25 *February* 1891.] Sir C. L. Ryan, K.C.B., Mr. Spring-Rice, Mr. Stoneham, and Mr. Lewis. [*Continued.*

Appropriation Accounts—Class III.

Vote 3.—Supreme Court of Judicature—*continued.*

Chairman—continued.

copyists and what remains as profit to the officer himself; have you any information upon that point?—I can only explain to the Committee what the practice is. Mr. Welbank, the officer referred to, receives the copying for the Registrar's Office, and we pass the account when it is certified by the different Registrars who employ him.

197. (To Mr. *Spring-Rice.*) I observe that the Treasury have only given a temporary approval to this arrangement; could not the suggestion of the Comptroller and Auditor General be adopted, that some definite time should be fixed for its discontinuance?—This is part of the system which will be affected by the decision of the Lord Chancellor on the Report of the Committee already referred to. It is a point which the Treasury would certainly notice, and the remarks of the Comptroller and Auditor General upon it would certainly be borne in mind.

Mr. *Barran.*

198. Up to the present time are there no statistics at all, showing how the money has been expended?—There are statistics showing how it has been expended; but I think the Comptroller and Auditor General's point is whether this gentleman merely is the channel through which the money flows to the individual copyists, or whether he retains any of it for his own profit, or in consideration of his own labour.

199. If you had statistics showing how the money had been spent you would then see what had been paid for labour, and what the result was so far as the gentleman is concerned who directs this work, would you not?—If statistics could be obtained they would probably give some information in that direction.

200. That is to say ascertaining the cost out of pocket in the execution of the work?—I am not in a position to say that anybody is entitled to ask this gentlemen to render an account of how he spends the money.

Appropriation Accounts—Class III.

Vote 3.—Supreme Court of Judicature—*continued.*

Sir *Richard Temple.*

201. The gentleman is looked upon as a contractor, as I understand?—He is a middleman I fancy.

202. Surely he is not looked upon as a middleman but as a contractor?—I am not quite clear as to the difference between them as bearing upon this point.

Chairman.

203. (To Mr. *Spring-Rice.*) Coming to paragraph 4 the Comptroller and Auditor General seems to have received no further communication on the subject of the travelling allowances granted to the Masters and the Visitors of Lunatics. We reported last year that we desired that the scale should "now be settled without avoidable delay." I hope you will be able to give some satisfactory information on the subject to the Committee on the subject?—I am happy to be able to inform the Committee that a new order has been substantially agreed to with the Lord Chancellor settling the scale of these travelling allowances.

204. That will no doubt be communicated to the Comptroller and Auditor General?—Yes, necessarily.

205. Are any alterations likely to be adopted shortly in the system of stamping so as to prevent a similar loss to the public to that which is referred to in paragraph 5 of the Report by fraudulent dealings with stamps?—Yes. The Treasury has had the advantage of the opinion of the Board of Inland Revenue on the changes that should be made at Liverpool, and the Treasury Officers of Account have made a further Report. The matter is not definitely settled yet, but I may say that we see our way to the introduction of an improved system.

On Votes 4 to 10.

No questions.

[The Witnesses withdrew.

Wednesday, 11*th March* 1891.

MEMBERS PRESENT:

Mr. Barran.	Sir John Lubbock.
Mr. Donald Crawford.	Sir Richard Temple.
Sir Ughtred Kay-Shuttleworth.	Mr. Wodehouse.

SIR UGHTRED KAY-SHUTTLEWORTH, BART., IN THE CHAIR.

CIVIL SERVICE APPROPRIATION ACCOUNTS, 1889-90.

Mr. STEPHEN EDWARD SPRING-RICE and Mr. RICHARD MILLS, called in; and Examined.

CLASS III.

LAW AND JUSTICE.

On VOTE 12.

REFORMATORY AND INDUSTRIAL SCHOOLS (GREAT BRITAIN).

Mr. CAREY KNYVETT, C.B., and Mr. HENRY ROGERS, called in; and Examined.

Chairman.

206. (To Mr. *Mills.*) I SEE that the Comptroller and Auditor General states that a local test examination of the details of the school accounts was carried out in the month of May last, and that a number of small over-payments, the results of inadvertence and infractions of rules, amounting to 119*l.* odd, had been recovered and credited to the Vote or to the Exchequer Extra Receipts?—That is so.

207. Was the examination on the whole satisfactory?—Yes.

208. Several questions as to the rules and the procedure and practice of the Reformatory Office relating to the administration of the Parliamentary grant have arisen, and the correspondence is printed in the Appendix upon the subject; I see that the Comptroller and Auditor General anticipates that an appreciable economy will result in the alterations of the procedure, and of the existing rules which are proposed?—That is the conclusion he has come to.

209. (To Mr. *Knyvett.*) Can you tell me whether any steps have yet been taken for surprise visits to day industrial schools, or any other efficient check upon the actual attendance there?—That matter has been, as you are aware by the papers, referred to a Committee, and pending the report of the Committee, I am informed by the inspector that every endeavour will be made upon their part in the interim to make surprise visits.

210. (To Mr. *Rogers.*) Have you been able at all to commence any system?—Yes, I have occasionally, but we will make it a point in future as far as possible to make surprise visits when we have an opportunity; but I may mention that the staff is limited, and we have pretty well enough to do to get through our work in the way of inspection at present.

Chairman—continued.

210*. I see on p. 260 of the Appropriation Accounts, in the letter from the Home Office, that the explanation is given that the inaccuracies which occurred about which Mr. Mills just now answered, were to some extent "attributable to the fact that the staff of the Reformatory Office is not sufficiently strong to cope with the additional work caused by the increase in the numbers both of schools and of inmates"?—I think that is so.

211. There has been delay in altering the staff on account of the expectation that there would be legislation?—That is so.

212. (To Mr. *Knyvett.*) I think legislation has been intended ever since the year that the Commission reported; the year 1883?—It has been in contemplation a great many years, and has been taken up repeatedly, but it has not come to anything up to the present.

213. Bills have been drafted year after year, and during the last two Sessions Bills have been introduced, I believe?—That is so.

214. There is rather an urgent need, from the point of view of the state of the office, for legislation?—Certainly.

215. (To Mr. *Spring-Rice.*) Can you give any information with regard to this Departmental Committee,

11 *March* 1891.] Mr. Spring-Rice, Mr. Mills, Mr. Knyvett, C.B., and Mr. Rogers. [*Continued.*

Appropriation Accounts—Class III.

Vote 12.—Reformatory and Industrial Schools (Great Britain)—*continued.*

Chairman—continued.

Committee, and what progress is being made with it?—The Committee was appointed in November. The Parliamentary Under Secretary of State and one of the Lords of the Treasury are members of it; and I understand that the Committee is in progress.

216. Can you say when the Sub-Committee is likely to report?—I am not in a position to say that.

217. (To Mr. *Knyvett.*) Can you tell us that?—I am not in a position to state. I may say that Mr. Stuart-Wortley is meeting the inspector and the Lord of the Treasury to-morrow. (Mr. *Rogers.*) Will you allow me to say that the Committee has taken the matter into full consideration; they have taken evidence upon every point connected with the administration of the office, and they meet to-morrow at our office to go further into detail.

218. With regard to paragraph 3 of the Comptroller and Auditor General's Report, the subject of parental contributions has been in an unsatisfactory state, I suppose, ever since the Commission reported, as it was at that time; there is a great difficulty, is there not, in recovering parental contributions?—There is very considerable difficulty owing to the state of the law; we have not quite sufficient hold upon the parents.

219. With respect to industrial schools, has the difficulty rather increased than diminished?—We have collected more money since the state of general industry has improved during the last two or three years, but we have been impeded in the collections to a much larger extent than formerly; and, on the whole, there is something wanting in the system.

220. That cannot be met without legislation?—It is impossible.

221. (To Mr. *Spring-Rice.*) Can you give me any figures as to the proportionate parental contributions received in different years?—I have a few figures comparing the expenditure under the industrial schools with the receipts from parental contributions in respect of industrial schools. I find in the year 1889-90, the year whose accounts are now before the Committee, the expenditure under these Sub-Heads amounted to 198,000 *l.*, and the receipts from parental contributions to 15,000 *l.* Five years before that the expenditure was 187,000 *l.* and the receipts, about 18,000 *l.*, so that in that period there has been a considerable increase in expenditure, accompanied by an appreciable decrease in receipts. In the year 1879-80 (that is, 10 years ago) the expenditure was 163,000 *l.*, and the receipts were between 16,000 *l.* and 17,000 *l.*; so that in this year, when the expenditure was 198,000 *l.*, the receipts were less than they were 10 years, ago when the expenditure was 163,000 *l.*

222. Those facts point very much, do they not, to the want of a better law to enable the

Appropriation Accounts—Class III.

Vote 12.—Reformatory and Industrial Schools (Great Britain)—*continued.*

Chairman—continued.

parental contributions to be recovered?—From a financial point of view, no doubt that is so.

223. I remember at the time the Commission sat there was very strong evidence, given from the Treasury point of view, of the necessity for legislation; I suppose the Treasury view of the matter would be rather strengthened than weakened by what has happened since?—That is so.

[Mr. *Knyvett* and Mr. *Rogers* withdrew.

On Vote 24.

Registry of Deeds (Ireland).

Chairman.

224. (To Mr. *Spring-Rice.*) I observe that an excess of expenditure beyond the Estimate has been avoided by postponing a charge for the balances of certain special payments to clerks of the Second Division, and that that postponed charge will fall upon the Vote of the succeeding year, 1890-91; I presume that is a case like that of the Pay Office Vote which we had before us on the last occasion when we met?—That is so.

225. But in this case the charge for the special amounts paid to these clerks is divided between two financial years; is not that an inconvenient and undesirable division?—The Treasury admit that it is somewhat inconvenient; but the Committee will observe that the alternative was to keep all the clerks waiting for their bonuses or back pay until after the turn of the year.

226. (To Mr. *Mills.*) What view would the Comptroller and Auditor General take of such a division of charge?—I think the Comptroller and Auditor General would consider that the circumstances, being very exceptional, are not likely to be drawn into a precedent, and although there is an inconvenience in the division of the charge he would think there was nothing strictly irregular in the directions which the Treasury have given.

On Vote 26.

The Irish Land Commission.

Chairman.

227. (To Mr. *Spring-Rice.*) It appears that the Treasury sanctioned a refund of the amount paid by the late solicitor to the Land Commission for stamp duty and fees on the certificates entitling him to practise, and that a similar charge is covered by the authority from the Treasury in respect of the certificate taken out by the present solicitor; on what grounds were those payments for certificates entitling the solicitor to practise made a public charge?—The solicitors are officials of the Department, and in the discharge of their official duties they have to act in public as solicitors, which they cannot do without paying certain fees; it is, therefore, only just that those fees should not fall upon their private

Appropriation Accounts—Class III.

Vote 26.—The Irish Land Commission—*continued.*

Chairman—continued.

purses, but should be paid for as part of the expense of the office.

228. Do they practise otherwise than as public servants under those certificates?—No; the solicitor to the Land Commission is a permanent official giving his whole time to the public service.

229. (To Mr. *Mills.*) I observe that the Comptroller and Auditor General speaks of the expenditure incurred in these payments as of an exceptional nature?—The Comptroller and Auditor General is not aware of any other instance of a precisely similar kind, and he thought it right, therefore, to bring it to the notice of Parliament.

230. Would the explanation that has been offered on the part of the Treasury satisfy you?—I think the Comptroller and Auditor General has no positive objection to offer; he only thought it right to bring it to the notice of the Committee.

231. (To Mr. *Spring-Rice.*) The Comptroller and Auditor General calls attention to certain sub-accountants' balances which had not at the time he wrote the report been refunded; have they yet been paid?—I have a communication from the Land Commission, from which it appears that the first amount mentioned by the Comptroller and Auditor General was paid on the 11th of February, and the second one was paid on the 10th of December last.

232. (To Mr. *Spring-Rice.*) It appears that of a sum of 301 *l.* 4 *s.* 2 *d.*, realised in the year and paid over to the Exchequer, according to the note at the foot of the account, 275 *l.* 3 *s.* 10 *d.* was actually paid to the Local Loans Fund, and not to the Exchequer; can you offer any explanation upon that point?—I think the Comptroller and Auditor General is under a misapprehension, arising probably from a clerical slip in the papers of the Land Commission. As a matter of fact that sum was paid to the Exchequer on the 29th of November.

233. Then the whole payment has been made to the Exchequer?—Yes.

On Vote 28.

Dublin Metropolitan Police.

Chairman.

234. (To Mr. *Spring-Rice.*) In noticing the loss by fraud occasioned by the defalcations of a constable who had to collect fines at the North Dublin Police Court, the Comptroller and Auditor General mentions that precautions have been suggested to provide against a recurrence of similar cases of loss, and that his recent examination of the accounts satisfy him that recently the fines have been more closely accounted for, no arrears being now carried forward for any prolonged period; is there any reason to think that there will be any further losses of this

Appropriation Accounts—Class III.

Vote 28.—Dublin Metropolitan Police—*continued.*

Chairman—continued.

character in consequence of the change that has been made?—We consider that the improved arrangements instituted at the Dublin Police Office seem likely to guard, so far as regulations can guard, against a recurrence.

On Vote 29.

Constabulary of Ireland.

Chairman.

235. (To Mr. *Spring-Rice.*) It appears that claims for extra police against the county of Galway and certain cities are still in arrear; is there any prospect of those arrears being wiped off?—I have a communication from the Under Secretary for Ireland, which states that the question of arrears due in respect of extra police by the cities of Cork and Limerick still remains in the same position as it did; the Government have not abandoned their claims. With respect to the claim against the county of Galway, barony of Arran, having regard to the financial position of the barony, which consists of three islands, the Irish Government, with the consent of the Treasury, are prepared to remit the debt on certain conditions which do not affect the present question.

236. Have the Treasury given their consent?—They have consented.

Mr. *Barran.*

237. I should like to ask you the ground upon which this has been done?—The barony consists of three islands off Galway Bay, which are extremely poor, and matters reached a point recently at which it was clear that it could not possibly meet its liabilities of various kinds, and those liabilities were looked into by the Irish Government and the Treasury, and it was agreed that this liability should be remitted.

238. What was the amount of it?—£. 622 for extra police.

On Vote 30.

Prisons, Ireland.

Chairman.

239. (To Mr. *Mills.*) I see that the abstract statement of the Manufacturing Accounts has been tested, as regards its accuracy both as to cash and store transactions, by officers of the Comptroller and Auditor General's Department at certain prisons, and the Comptroller and Auditor General is able to report that considerable progress has been made in the work of re-modelling the Manufacturing Accounts of the Irish prisons generally, but he notices that the Conversion Accounts at some of the prisons are still in a far from perfect state; can you give us any information upon that subject?—The point in which the Comptroller and Auditor General considers

APPROPRIATION ACCOUNTS—Class III.

Vote 30.—Prisons, Ireland—*continued.*

Chairman—continued.

considers that an improvement might be effected will be brought to the notice of Commissioners of Prisons in Ireland, and he believes that the suggestions made will be adopted.

Mr. *Donald Crawford.*

240. What is the Conversion Account?—It is a term used for giving a strict account of materials, and showing that all materials bought for making clothing, &c., produce the garments which they ought to produce, the trade departments of the prison being made to account strictly for every yard of cloth and every pound of leather, for example, which they receive into their custody.

CLASS IV.

EDUCATION, SCIENCE, AND ART.

On VOTE 1.

PUBLIC EDUCATION (ENGLAND AND WALES).

Chairman.

241. (To Mr. *Mills.*) The Comptroller and Auditor General appear to be satisfied with the revised regulation which has been drawn up, in order to comply with the opinion of this Committee last year as to the principles on which the population should be ascertained for the population grant?—The Comptroller and Auditor General is quite satisfied with the arrangement which has been agreed upon.

On VOTE 2.

SCIENCE AND ART DEPARTMENT FOR THE UNITED KINGDOM.

Chairman.

242. (To Mr. *Spring-Rice.*) The Comptroller and Auditor General mentions a case in which a Civil Service certificate was not obtained on the promotion of an officer, and upon that he states that a scheme has been arranged between the Science and Art Department and the Civil Service Commissioners, but that the sanction of the Treasury to this scheme had not been communicated to him; how does that matter rest now?—The scheme was sanctioned by the Treasury on the 23rd of December.

On VOTE 7.

LONDON UNIVERSITY.

Chairman.

243. (To Mr. *Spring-Rice.*) I observe on this Vote that there is a very large amount of Extra Receipts amounting for the year to 13,500 *l.*; the amount in the year 1889–90 being 15,102 *l.*, or more than

APPROPRIATION ACCOUNTS—Class IV.

Vote 7.—London University—*continued.*

Chairman—continued.

the actual amount under the Vote; why are not those Extra Receipts treated as Appropriations-in-Aid?—The question of treating them so has been considered in accordance with the general policy which is pursued with, I believe, the approval of this Committee; and though that has not been done this year, partly because of the questions which have been under discussion as to the future of the University, the point will be reconsidered when the Estimates of next year are being framed.

244. It is recognised that they are rather of the nature of Appropriations-in-Aid than Extra Receipts?—I think, speaking generally, the Treasury would consider that these were the kind of receipts which are suitable for appropriating in aid.

VOTE 9, Public Education (Scotland), Postponed.

On VOTE 12.

PUBLIC EDUCATION (IRELAND).

Chairman.

245. (To Mr. *Spring-Rice.*) Would you explain the circumstances under which an increment which was not recognised as long as a Lower Division clerk was alive, was sanctioned after his death, the statement being made that the effect of his death removed all ground of hesitation on the part of the Education Commissioners in Ireland to the award?—I have a communication from the accounting officer for this Vote, from which it appears that the reason of the hesitation was that they discovered that this officer was not as efficient as he ought to be; the inefficiency was attributed to illness, but they had some doubts as to how far that excuse was altogether genuine. As he shortly afterwards died they had no doubts on that point, and in paying the arrears of salary up to the date of his death they felt bound to pay at the higher rate.

246. (To Mr. *Mills.*) What is the view taken by the Comptroller and Auditor General on the subject of the right of civil servants to their annual increments?—The Order in Council makes it very clear, I think, that the increment is not of right, but is dependent upon the head of the department being satisfied with the discharge of the duties of the particular clerk; and, therefore, it is a matter for consideration on each occasion on which otherwise, in the ordinary course, the clerk would receive his increment.

247. If that view were not taken by the department, a powerful means of enforcing discipline upon its servants would be removed?—Undoubtedly.

APPROPRIATION ACCOUNTS.

CLASS V.

FOREIGN AND COLONIAL SERVICES.

VOTE 1.

DIPLOMATIC SERVICES.

Chairman.

248. (To Mr. *Spring-Rice.*) I notice in paragraph 3 of the Report that the Comptroller and Auditor General calls attention to the lavish scale of expenses in connection with the Shah's visit to England; a sum of 7,633 *l.* 13 *s.* 10 *d.* comes into the year's account; can you tell me what the total cost paid in connection with the Shah's visit to England has been?—I can say with some confidence that this is the total cost, because his visit only extended over a few months in the course of that year; there may have been some trifling items elsewhere, but I doubt it.

249. What was the amount of the claims in connection with which the Anglo-Chilian Claims Commission have incurred further expenditure to the amount of 4,734 *l.* 17 *s.* 2 *d.*?—I am not able to state the amount of the claims put in; but the amount actually awarded, which is expressed in Chilian currency, appears to have been about 30,000 *l.*

250. This is only one year's expenditure; what has been the total expenditure in connection with the Anglo-Chilian Claims Commission?—The amount referred to by the Comptroller and Auditor General in his Report of last year was about 1,200 *l.*; so that I think the Committee may take it that the total expenditure was 6,000 *l.* The matter has been closed now for some little time.

251. Was the expenditure closed by this payment in the year ending 31st March 1890?—I could not say that for certain; but it was reported by despatches from Chili in the beginning of April 1890 that the matter was closed.

252. Considering that apparently only one half of the expenses incurred in organisation and maintenance of the Commission was borne by this country, the expenditure must have been at a very lavish rate altogether?—I am afraid the expense was very considerable. It was incurred under the Convention with Chili, and it was perhaps difficult to restrain it within the bounds of moderation.

ON VOTE 2.

CONSULAR SERVICES.

Chairman.

253. (To Mr. *Spring-Rice.*) We had evidence of last year as to defalcations of Mr. Ibbetson, the late acting consul at Buenos Ayres; it seems that the sum of 181 *l.* odd has now been written off as irrecoverable, with the sanction of the Treasury; is that so?—That is so.

254. There was some hope last year that the money might be recovered; what were the circumstances which led to the abandonment of that hope?—It proved on further inquiry that there was no possibility of getting anything more back, and as there have been changes in the system to guard against the recurrence of such cases, it was written off.

255. Those were defalcations in the year 1884, I think. The next paragraph of the Comptroller and Auditor General's Report relates to defalcations in the year 1888; with respect to those, nearly the whole amount has been recovered, I think?—Yes.

256. But there is a net loss on account of these Buenos Ayres defalcations of as much as 556 *l.* 17 *s.* 4 *d.*?—Yes, unfortunately.

257. There seems to have been other losses from the default of a vice-consul at Port Said, which are set forth in paragraphs 5 and 6; under both those heads the losses have been treated as irrecoverable?—Yes; after full consideration. I may mention that in the case of the Port Said defalcations a considerable proportion was recovered also.

258. Those are the further small sums of 45 *l.* and 75 *l.*?—Yes.

ON VOTE 5.

GRANTS-IN-AID OF EXPENDITURE IN CERTAIN COLONIES.

Chairman.

259. (To Mr. *Mills.*) The Comptroller and Auditor General mentions that some of the vouchers in connection with the expenditure for the New Guinea steamer and steam launch had not been produced; have they been since obtained?—Nothing more has been received with respect to that expenditure.

260. Then, again, under the head of Fiji, a voucher for 21 *l.* 10 *s.* has not been furnished; has that since been received?—That has not yet been received.

261. I observe that after the failure of the attempts to convict the chief clerk of Customs at Sierra Leone by criminal proceedings, a civil action was brought, and has resulted in a verdict for the Crown for nearly the whole amount of the defalcations?—Yes.

262. And it is expected that the real property of the defendant will be sufficient to discharge the debt and costs?—That is so; but no further information as to its actual realisation has been received.

263. I observe that the Comptroller and Auditor General speaks of the local audit arrangements of the colony as being in a condition far from satisfactory; the chief clerk appears to have suppressed certain original entries, and kept back the cash, the receipt of which was not entered in the cash-book; the fraud was accidentally discovered, and the Comptroller and Auditor General recommends that a test examination should be applied

APPROPRIATION ACCOUNTS—Class V.

Vote 5.—Grants-in-Aid of Expenditure in certain Colonies—*continued.*

Chairman—continued.

applied from time to time to satisfy the local auditor that the departmental books are kept on a correct system?—That is so.

264. I observe that the Comptroller and Auditor General states that an inquiry by the Colonial Office is being held into the working of the Customs and Audit Department; is that with a view to introduce a better system of audit?—Yes. (Mr. *Spring-Rice.*) I have a memorandum upon that subject from the Colonial Office, which I may perhaps read: "The inquiry into the working of the Customs Department has been held. It was shown that the defalcations were rendered possible, partly by the defective audit, and partly by the laxity of the Comptroller of Customs. Directions have been given that certain alterations shall be made in the audit of the Customs accounts, and the Comptroller of Customs has been required to retire. The suggestions of the Comptroller and Auditor General as to the check to be exercised by the treasurer have been sent to the Governor for consideration, but there has not yet been time to receive a reply."

Mr. *Wodehouse.*

265. (To Mr. *Mills.*) I observe that the Comptroller and Auditor General gave notice to the Colonial Office that he proposed to audit the accounts of certain colonies in future with less minuteness than hitherto, and nothing is said about the reply of the Colonial Office to the intimation; did they assent?—A reply has been received from the Colonial Office with regard to the proposal of the Comptroller and Auditor General that, although the Secretary of State regrets there is a necessity for any diminution of the completeness of the detailed audit, he is not prepared to offer any real objection to the Comptroller and Auditor General's proposal in that respect.

266. He acquiesces, in fact?—He acquiesces, practically.

On Vote 6.

SOUTH AFRICA AND ST. HELENA.

Chairman.

267. (To Mr. *Mills.*) In the case of Bechuanaland, the step has been taken of sending an officer of the Audit Office for service in that country, and I see that he was expected to take up the duties of local auditor about the 1st of January this year; what progress has been made in his work?—We have not received any detailed report, and could hardly have received any report as to any material progress yet made, but he has commenced his duties there. I may state that the account for the year 1889, which the Comptroller and Auditor General has reported as not having been received, has since been received.

APPROPRIATION ACCOUNTS.

CLASS VI.

NON-EFFECTIVE AND CHARITABLE SERVICES.

On Vote 1.

SUPERANNUATION AND RETIRED ALLOWANCES.

Chairman.

268. (To Mr. *Spring-Rice.*) The Comptroller and Auditor General points out that under Section 4 of the Superannuation Act of 1859, the office or class of offices to be placed under that section shall be "specified" by the Treasury in their order or warrant, and he calls attention to the fact that the Treasury are not disposed to admit that their Minute of the 14th June 1859 is intended to deal with professors generally as a class; it therefore raises the question upon what grounds they justify the application of that Minute to the case of Professor Rowney?—The Treasury have a little difficulty in following the argument of the Comptroller and Auditor General; the Treasury, with whom rests the interpretation generally of the Superannuation Act, have declared that professors in Queen's Colleges in Ireland are professors in "similar establishments" under the terms of the Minute of the 14th of June 1859, but declined on that particular case to say whether every person in the public service who might bear or receive the title of professor was necessarily entitled to the professional addition.

269. Then I understand the answer of the Treasury to be that the professors of the Queen's Colleges in Ireland all come within Section 4 of the Act?—Certainly.

270. (To Mr. *Mills.*) That would be an answer to the question asked by the Comptroller and Auditor General, I presume?—The Comptroller and Auditor General was not in any doubt, I think, as to that reply; but he thought the terms of the Treasury reply might have extended to the existing professors in the public service, to whom they had the intention to apply that construction, whereas the Treasury have left it entirely open now to be appealed to in any other particular case which may arise.

271. Does the Comptroller and Auditor General raise an objection to the application of this section to all the professors of the Queen's Colleges in Ireland?—No.

Mr. *Barran.*

272. Where does he draw the line?—The Comptroller and Auditor General asked the Treasury to put a construction upon the words, "similar establishments," and asked whether it was intended to apply it to all professors in the public service. He thought the Treasury, while dealing with this particular case in which the question arose, might have stated specifically to what professors among the existing professors in the public service they had the intention of extending these terms; which would have avoided the necessity, so far as the present

Appropriation Accounts—Class VI.

Vote 1.—Superannuation and Retired Allowances—*continued.*

Mr. *Barran*—continued.

establishments are concerned, of asking the question in any future case.

273. That is, that they should lay down a general rule, not only for their own guidance, but for the guidance in future of the Comptroller and Auditor General?—For the information of the Comptroller and Auditor General.

Chairman.

274. (To Mr. *Spring-Rice.*) Would there be any difficulty in drawing up such a definition?—I am not quite prepared to answer that question, but I should not anticipate any insuperable difficulty. It would have to be done, of course, on a review of all the classes of professors in the public service, and the intention of the Treasury letter was merely to say that they did not feel it incumbent upon them to make such a review in connection with professors of a class whose character was practically admitted.

Mr. *Barran.*

275. But they do admit that it is necessary that some well-defined line should be drawn as to the liability of the Treasury for pensions to professors?—Yes; I think so.

Sir *Richard Temple.*

276. But they include all professors, do they not?—That the Treasury would not commit themselves to.

277. Then is there no line to be drawn as to those who are included and those who are excluded?—I think it would be necessary to consider the character of the work, and the professional qualifications required for doing that work.

278. Then there is no rule yet?—There is no exhaustive catalogue of the professors in the public service who are entitled to this professional addition.

279. But there is no rule according to which you could judge whether such and such a person is or is not entitled?—I am not aware that the Treasury has laid down, nor am I aware that you could make, any rule for such a matter; you would have to consider, not each particular case, but each particular class of professors as it came up, or make an exhaustive review such as the honourable Chairman has suggested.

Chairman.

280. If I read the Comptroller and Auditor General's interpretation of the Act aright, he he seems to think that the Act lays upon the Treasury the duty of specifying in an order or warrant the office or class of offices to be placed under the section; it looks as if the statutory obligation rested upon the Treasury to make a definition of this character?—The Treasury in 1859 made a general description of that character, which is quoted in this paragraph, and the question now is as to making the description an exhaustive catalogue.

Appropriation Accounts—Class VI.

Vote 1.—Superannuation and Retired Allowances—*continued.*

Chairman—continued.

281. The general description which is to this effect: "Professors and masters of the Royal Military College, and similar establishments," would scarcely be what is denominated by the Act, "specifying" the office or class of offices to be placed under Section 4?—I think it may be desirable that the Treasury should consider whether they should not do so.

282. It seems desirable that the professors in the public service should know whether they are entitled to pension or not, as well as from the point of view of audit that the Comptroller and Auditor General should know?—Yes.

283. The Comptroller and Auditor General mentions the case of an admitted error in the calculation of the pension to Mr. Ricketts, late Her Majesty's consul at Tunis; the amount of over-payment he says is 23 *l.* 4 *s.* 1 *d.*, which he report is not chargeable against the Vote; perhaps you would like to explain the circumstances under which this error was committed?—It arose on a somewhat technical point in connection with the calculation of the value of a house occupied by Mr. Ricketts as an emolument, for pension purposes. When the pension was calculated it was assumed that he had occupied the house for three years at least; but it subsequently turned out that he had only occupied it for one year. Consequently the rule of average applied, and that part of his pension should have been calculated only on one-third of the amount taken as the value of his house, and this is the error that is pointed out.

284. Will the amount be recovered?—The error has been corrected as regards the year 1890–91 and subsequent years; but as regards the year 1889–90, the money in respect of which had been actually paid out when the error was discovered, it was ordered by the Treasury to be written off as irrecoverable.

285. The statement here is that directions have been given "for the recovery of the amount overpaid in the present financial year from a subsequent instalment of the pension"?—Yes. That refers to the financial year 1890–91.

286. Then, was it paid for the previous year?—It became payable in 1889–90 for the whole or part of the year.

287. The first over-payments will be written off as irrecoverable?—Yes.

Mr. *Wodehouse.*

288. Is it really irrecoverable?—It is not irrecoverable in one sense, because Mr. Ricketts, I believe, is alive; but the Treasury considered themselves justified in ordering it to be written off as irrecoverable, because they did not think it was fair under the circumstances to recover retrospectively.

Mr. *Barran.*

289. But did Mr. Ricketts know at the time he received that pension that he had been overpaid?

APPROPRIATION ACCOUNTS—Class VI.
Vote 1.—Superannuation and Retired Allowances—*continued.*

Mr. *Barran*—continued.

paid?—No. I do not think he could be supposed to have known.

Sir *John Lubbock.*

290. You have no reason to suppose that Mr. Ricketts was aware he was receiving more than he was entitled to?—No; I think it is quite safe to say he was not so aware.

Chairman.

291. (To Mr. *Mills.*) Would the Comptroller and Auditor General have anything to say as to writing off a payment made so long ago?—I think not. We have received a copy of the Treasury letter.

292. (To Mr. *Spring-Rice.*) In paragraph 4 of the Report another overpayment is noted of 7 *l.* 6 *s.* 5 *d.* to a late assistant warder in the convict service of Western Australia, which the Comptroller and Auditor General reports is not properly chargeable against the Vote; perhaps you would explain how that overpayment came to be made?—The circumstances of that overpayment are explained in the paragraph. This was a case, as the Committee will observe, of the re-employment of a pensioner, and when such re-employment takes place his pension is, by statute, either suspended or reduced, according to certain rules. It was the intention of the Treasury that it should be reduced in accordance with those rules; but owing, I believe, to a misunderstanding on the part of the paymaster in Australia who paid this man his pension, it was not reduced to the full extent.

293. The payment of the pension was re-commenced rather too soon?—Yes. The amount will be recovered.

294. In the next paragraph I observe that an overpayment of pension to Mr. Jenkins, late Master of the Supreme Court, seems to have arisen from an error in calculation, and as Mr. Jenkins died before the error was discovered, the payment is treated as irrecoverable?—Yes.

295. Is that the usual practice?—I do not think there is any established rule about such cases. This was a very complicated matter connected with the re-organisation of the officers of the Supreme Court, and the mode in which Mr. Jenkins' pension should be calculated was also a somewhat difficult question.

296. Another admitted over-payment of 1 *l.* 6 *s.* 2 *d.* occurred in the case of a Mrs. Brown; in this case also the pensioner has died, and the amount is treated as irrecoverable?—That small over-payment arose from an oversight at the Paying Department on the part of the Paymaster General, who did not sufficiently take into account certain rather complicated points in the declaration made by the pensioner.

297. In respect to these various over-payments which have been brought to the notice of the Committee this year, and also in the past year, would it not be possible for the Treasury to

APPROPRIATION ACCOUNTS—Class VI.
Vote 1.—Superannuation and Retired Allowances—*continued.*

Chairman—continued.

institute some system of check on the grant of pensions which would result in these mistakes being discovered before the audit, instead of being left to the Comptroller and Auditor General to discover?—The Treasury regret that mistakes occasionally occur, but they take what precautions they can to avoid their occurrence. The only cases here which are mistakes which could have been detected by the Treasury are those referred to in paragraph 3 of Mr. Ricketts, and in paragraph 5 of Mr. Jenkins. Those cases referred to in paragraphs 4 and 6 arise from mistakes or misunderstandings on the part of the paying officers.

298. I observe that a gratuity of the exceptional amount of 500 *l.* has been awarded to Mr. Holyoake, formerly an officer of the Inland Revenue Department with a salary of 200 *l.* per annum, who now has a pension of 69 *l.* out of the Vote for that Department. The Comptroller and Auditor General raises the question whether there is any warrant for the application of this fund to the case of an officer in the position which Mr. Holyoake formerly held in the service?—The Treasury would admit that this was a very exceptional case, and would hope that the necessity for making such a grant under this Sub-Head would not recur. I should explain that the matter was most carefully considered at the Treasury, and with full information as to the case. It appeared that Mr. Holyoake, who was an Excise officer, contracted a disease distinctly and directly arising from the discharge of his duty in connection with surveying breweries, and that led to his premature retirement from the public service on a pension, which of course was small, being in proportion to the shortness of his service, and it was considered that the pension required to be supplemented from this Sub-Head in the same way as in the cases referred to in the Comptroller and Auditor General's Report.

299. The Comptroller and Auditor General rather seems to raise the question whether this payment was made from the right fund, because he points out that the provision in the Estimates for this Sub-Head is for "grants to workmen and others," and he mentions that the Secretary to the Treasury, when explaining to Parliament the manner in which it was proposed to administer this fund, mentioned, as examples of the class of cases to be dealt with, three provincial postmen and the widow of a hired Admiralty labourer to whom grants of 25 *l.* or under have since been made?—I do not understand the Comptroller and Auditor General to formally object to the charge, but he thinks it is somewhat straining the intentions of the Sub-Head, and the Treasury would admit that it is an extreme case.

300. Is there any other fund or Sub-Head from which this gratuity of 500 *l.* could have been granted?—I am not aware of any fund voted by Parliament applicable to such a case.

Appropriation Accounts—Class VI.

Vote 1.—Superannuation and Retired Allowances—*continued.*

Mr. *Wodehouse.*

301. The total amount of the fund was 700 *l.*?—Yes.

302. And 500 *l.* was absorbed in this one gratuity?—Yes.

Mr. *Barran.*

303. How long had he been in the service?—Twenty-one years.

304. He was entitled to a pension of 69 *l.*?—Yes.

Chairman.

305. He receives that pension as well as the gratuity, I understand?—Yes.

306. (To Mr. *Mills.*) Do you desire to make any remark upon this point?—No. The Comptroller and Auditor General considered that Parliament was not consciously making provision for a case of that kind under the terms used in the Sub-Head of the Estimate.

307. (To Mr. *Spring-Rice.*) The Comptroller and Auditor General points out that there will be awards of gratuities not merely under Sub-Head F. of the Superannuation Vote, but also under the Vote for Diplomatic Services, in which provision is made under a separate Sub-Head for Compassionate Gratuities to retired Chancery and Consular attendants; and he points out that no steps appear to have been taken to bring this fund under the notice of Parliament in the same way as the compassionate fund under the Superannuation Vote was brought under the notice of the House of Commons; have you anything to say on the part of the Treasury on that matter?

Appropriation Accounts—Class VI.

Vote 1.—Superannuation and Retired Allowances—*continued.*

Chairman—continued.

—As far as the Treasury are concerned they consented to make this special, and very carefully guarded, provision on the Diplomatic Vote in a special Sub-Head, at the urgent instance of the Secretary of State for Foreign Affairs. I should like to point out that it is not the only non-effective charge which appears in other Votes than the Superannuation Vote; there are several cases.

308. Has not the tendency been to bring all non-effective charges into this Class VI.?—I do not think that can be said in recent years.

309. (To Mr. *Mills.*) I do not understand the Comptroller and Auditor General to raise any positive objection; he simply deems it his duty, as the subject is not been brought in any other way to the attention of Parliament to call attention to it?—Quite so.

310. (To Mr. *Spring-Rice.*) I observe that there is a small sum of 9 *s.* 2 *d.* which seems to have been treated as an extra receipt when it ought to have been surrendered as a part of the surplus on the account of last year's Vote; have you anything to say as to the circumstances under which that mistake arose?—I think the Treasury would agree with the Comptroller and Auditor General as to which was the more proper course.

311. I presume the Treasury would also agree with him that it was an oversight not to state upon the face of this Vote that two persons were in receipt of pensions out of this Vote, and also out of the Post Office Vote?—Yes.

REVENUE DEPARTMENTS.

On Vote 2.

Inland Revenue.

Chairman.

312. (To Mr. *Spring-Rice.*) With respect to the frauds on the Revenue by a copyist in the Income Tax Office at Dublin, is the Treasury satisfied that arrangements have been made which will prevent the recurrence of such frauds?—Yes, this matter was carefully inquired into, and the Treasury are satisfied that all has been done that can be done to meet it.

313. It appears from the document signed by the Treasury Officers of Accounts, printed on page 541, marked A 3, that such a fraud could not have been perpetrated at Somerset House, on account of the mode in which the duty of examining such orders would be distributed between several officers; I understand it is by the institution of several checks at Dublin that it is hoped the repetition of such a fraud has been prevented?—Yes.

Chairman—continued.

314. (To Mr. *Mills.*) Although the Comptroller and Auditor General calls attention to the payment of 50 *l.* as a charge of an unusual nature, I do not understand him to raise any objection to that nor to the reward which was given to a boy clerk and boy copyist, who very meritoriously discovered the fraud?—That is so.

315. (To Mr. *Spring-Rice.*) In the case of the pensioner to whom a payment has been made out of Vote 1, Class VI., there should have been a cross entry made, should there not?—Yes.

APPROPRIATION ACCOUNTS.

On VOTE 3.

POST OFFICE.

Mr. ALGERNON TURNOR, C.B., called in; and Examined.

Chairman.

316. THE Comptroller and Auditor General reports as irregular the payments of salaries attached to the appointments of certain Second Division clerks to surveyors' clerkships on account of the fact that no fresh Civil Service certificates were obtained; what is the view of the Post Office on that point?—The Postmaster General is not quite prepared to agree with the view of the Comptroller and Auditor General or the Civil Service Commissioners on that point. There never has been a special certificate required for surveyor's clerkships. The selection of surveyors' clerks, a very important duty, has always rested entirely with the Postmaster General, who has selected them from within the service; and the Postmaster General hardly knows what sort of certificate the Commissioners would give to such an officer. The qualifications required are tact, judgment, and experience, and he is not aware how the Civil Service Commissioners could give a certificate of such qualifications.

317. It seems to be generally laid down by the letter marked A., on page 561, from the Civil Service Commission, that "no clerk of the Second Division can be promoted or transferred to any situation outside of that Division (not being included in Schedule B. of the Order in Council of the 4th June 1870), without a fresh certificate from the Board"? — That is their opinion; but I think some regard must be had to the antecedent circumstances relating to these appointments. The former appointments were recruited chiefly from third class clerks or second class clerks in possession of certificates. The Civil Service Commissioners and the Treasury have practically cut off that supply and substituted another supply, Second Division clerks; but they have never raised any question formally with the Postmaster General as to these appointments.

318. But is not this a question of the interpretation of the Order in Council? — It is so, but there is also the question of the Postmaster General's right of appointment.

319. But does the Postmaster General maintain that the Order in Council does not apply to his Second Division clerks?—He would maintain that the proper mode of appointing to surveyor's clerkships is by selection on his own responsibility, judging of the individual by his tact and experience, and not by a certificate of qualification, which really does not apply. If the machinery is out of order, or not put into proper order, he thinks the question should be raised as to how to put it into proper order.

320. (To Mr. *Spring-Rice.*) Has the Treasury any view upon this subject? — The particular

Chairman—continued.

question has not come before the Treasury, I believe.

321. But has the question whether this Order in Council applies to Post Office appointments and promotions from the Second Division been considered at the Treasury?—I do not understand Mr. Turnor to deny that the Order in Council does so apply. (Mr. *Turnor.*) I might be permitted to say that the Postmaster General is rather supported in his view by the Treasury. These appointments have always been regarded as staff appointments, and in a letter of the Treasury of 24th August 1877, the Treasury say: "The Playfair Scheme implies a few staff appointments, from which there is nothing to exclude the Lower Division whenever members of it are the fittest for such promotion." Then there is another record, dated 8th July 1881, from the Treasury: "It is true that there are openings for those among them who give proof of exceptional merit and ability in the shape of staff appointments." Then, in answer to a memorial from the Lower Division, they say: "The memorialists also ignore the existence of the staff appointments which exist in almost all Public Departments of a kind suitable to be filled from the ranks of the Lower Division." In another letter of 25th March 1880, the Treasury say: "The characteristic feature of a staff appointment is that no one has a claim of succession to it." This definition applies to the surveyors' clerkships.

322. The Postmaster General regards surveyors' clerkships as staff appointments?—Yes.

323. (To Mr. *Mills.*) Would you like to say anything on behalf of the Comptroller and Auditor General on this point?—Even if that last proposition were admitted, the Comptroller and Auditor General would hold that it was beside the point, because staff appointments would be subject under the Order in Council to a fresh Civil Service certificate.

324. (To Mr. *Turnor.*) If that be so, those letters of the Treasury could scarcely be quoted in defence of your view?—There has been no decision on that point that I am aware of. The Treasury letters say nothing about fresh certificates, and it would seem to be rather absurd to require a fresh certificate for a Second Division clerk, as the subjects of examination would have to be very much the same if there were any; what the Postmaster General lays stress upon is experience and tact.

Sir *Richard Temple.*

325. But I suppose these gentlemen have already been once certificated by the Civil Service Commissioners?—Yes, they have come in by

Appropriation Accounts.

Vote 3.—Post Office—*continued.*

Sir *Richard Temple*—continued.

open competition, and got a proper certificate, and the only point is whether you can remove them from the one place to the other.

Mr. *Wodehouse.*

326. Does the Order in Council make any exemptions from the necessity of a certificate in the case of staff appointments?—I understand the Comptroller and Auditor General to say now that in the case of staff appointments they would want a certificate; I was not aware of that view; I should rather have doubted it myself. (Mr. *Spring-Rice.*) Perhaps I may say, that it is the usual, if not the invariable rule, that a new certificate is required on an appointment of that nature, but the conditions which the Civil Service Commissioners would attach with regard to the fresh certificate are matters for arrangement between themselves and the Postmaster General and the Treasury. Of course the Treasury cannot express any opinion as to the merits of this particular case as between the two Departments, because the facts are not before them; but I believe that it is not at all an unusual thing that cases arise where it is necessary, for technical reasons, to give a fresh certificate, and where it may be said that the certificate is very little more than a form.

Sir *Richard Temple.*

327. What is the principle upon which the second certificate is demanded by the Order in Council?—It is part of the general system in the Civil Service that people are not qualified to draw a salary in certain grades unless they have got a certificate from the Civil Service Commissioners corresponding to that grade.

Sir *John Lubbock.*

328. I suppose the duties may be of a totally different character in some cases, and, therefore, a certificate of a different character also may be required; is that the contention?—Quite so.

Sir *Richard Temple.*

329. But I suppose there would be a different salary in the two cases?—It is conceivable there might be different duties with very little difference in salary.

330. (To Mr. *Turnor.*) The duties are the same, and the salary is the same, as I understand, in the present case?—The salary is not precisely the same. The initial salary is different, and they can rise to a higher amount, but the same class of man is required.

Chairman.

331. I suppose a man regards it as promotion to be moved from a Second Division clerkship to a surveyor's clerkship?—Yes, it is a much more important office, requiring a great deal of tact and judgment.

Appropriation Accounts.

Vote 3.—Post Office—*continued.*

Sir *John Lubbock.*

332. The duties to which he rises are really of a different character?—Quite.

Mr. *Barran.*

333. And he is entitled to a much higher pension, I presume?—He would be pensioned on his pay when he got to the top, if he got so far.

334. I see the Civil Service Commissioners say that it is necessary that there should be a second certificate granted?—Yes. The Postmaster General does not at all agree with the necessity of it; he thinks it very objectionable, because it might interfere, if the man did not get a certificate with an appointment which he thought necessary; and also it is hard upon the individual, who has to pay a fee upon each certificate.

335. But if the Postmaster General had full control of the position then he could promote whom he liked to those offices?—Yes; he could promote a certificated man.

336. That is, he could promote a Second Division man to a higher position?—Yes, that is what he has done.

Mr. *Wodehouse.*

337. Would any practical inconvenience have been caused to the Postmaster General by compliance with the requirement as to a fresh certificate in this case?—Only this inconvenience, that supposing the Civil Service Commissioners had said they would not grant a certificate or that they must examine the man, and the man failed, the selection is nullified. The Postmaster General holds that the Civil Service Commissioners cannot possibly form a judgment in a case of this kind; it is not a case of test in education or in certain subjects, it is a test in experience.

338. Then it is not a mere form, as I understand Mr. Spring-Rice to say it sometimes may be?—We do not quite agree with its being a mere form.

Mr. *Barran.*

339. It is the selection of the fittest throughout the office, I presume; that is the contention of the Postmaster General?—That is what it ought to be.

340. That is what it has been in the present case, I presume?—The clerks in all these cases were selected for particular qualities.

341. (To Mr. *Mills.*) Can you tell us whether in promotions of this character from the Second Division the Civil Service Commissioners insist upon an examination?—The arrangements under which fresh Civil Service Certificates are given to officers promoted from one class to another, not originally contemplated, are generally made in conference between the Civil Service Commissioners and the heads of the Departments; and the Civil Service Commissioners give any assistance in their power for giving effect to any arrangements of the kind which may be held to be for the good of the public service. The particular case here referred to is one which it appeared to the Comptroller and Auditor General

APPROPRIATION ACCOUNTS.

Vote 3.—Post Office—*continued.*

Mr. *Barran*—continued.

General contravened the intention and spirit of the Order in Council with regard to Second Division Clerks. A specific examination is fixed for them; they are examined with regard to appointments rising up under the present Order in Council to 350 *l.* a year, whereas the promotions which have been made by the Postmaster General, to which attention is now called, are those of clerks of the Second Division, having passed the examination fixed with regard to the duties measured by those salaries, who will possibly or may possibly rise to the salary of a surveyor of 800 *l.* a year. It appears to the Comptroller and Auditor General that this is, if I may say so, giving the go-by to the intention and spirit of the Order in Council, and he is supported in that view by the Civil Service Commissioners, who say that they concur that a fresh Civil Service certificate should have been obtained.

Chairman.

342. (To Mr. *Turnor.*) I observe that a difference of opinion arose between the Treasury and the Post Office with respect to the payment of compensation on account of an injury sustained by a Mrs. Pollard, owing to the negligence of a porter in the service of the Post Office; the Treasury seem to have written (it is the letter marked C. 1 on page 562), saying, "that they are not convinced that it is proper that no fine should be inflicted upon Connelly for admitted negligence resulting in a charge on the public purse"; and upon that you seem to have written a reply by the direction of the Postmaster General, in which Mr. Raikes puts the interpretation upon the Treasury letter which I have just quoted, "that in a matter which so closely concerns the administration and discipline of an office for which he alone is responsible, they do not wish to interfere further with the discretion which is properly vested in him," and therefore he caused the 30 *l.* to be paid to Mrs. Pollard without at the same time inflicting a fine upon Connelly; I suppose the view held by the Postmaster General is that the payment of 30 *l.* was made with authority from the Treasury under that letter?—The Postmaster General thought that the Treasury had mixed up two matters, which were totally separate. One matter is the payment of compensation to a person who has been injured, which was either right or wrong, and we both agreed that it was right; and the other was a matter of discipline. The first question is how an officer should be punished or what notice should be taken of carelessness, and the Postmaster General attaches the utmost importance to the principle that he alone should decide in what cases punishment should be inflicted and what sort of punishment it should be in his own office; and that the Treasury should not attempt to interfere by making it a condition that compensation should be given if he did a certain thing, namely, inflict a small

APPROPRIATION ACCOUNTS.

Vote 3.—Post Office—*continued.*

Chairman—continued.

fine; that was his main reason for resisting the Treasury. There was, of course, another reason, that it was completely out of date to raise the question. It had been settled more than a year and half before, and it would not have been a fair thing to fine the man afterwards. That was a secondary reason.

343. But the view of the Treasury seems to be that they did not give authority for the 30 *l.* to be paid, owing to the fact that this other question was pending, and they were not convinced that some small part of the compensation should not be recovered by means of a fine on Connelly?—The proper course, as it seemed to the Postmaster General, was, that the Treasury should have refused compensation altogether.

344. (To Mr. *Spring-Rice.*) I suppose the view of the Treasury is, as I have stated, that no authority was given for the payment of the 30 *l.*?—The Treasury have nothing to add to their letters printed in this correspondence as regards this particular case.

345. They object in a later letter to the payment of the 30 *l.*?—Yes, in the letter of the 5th of May 1890, printed at the top of page 563.

Sir *Richard Temple.*

346. (To Mr. *Turnor.*) Was no punishment at all inflicted upon the negligent man?—The case was a peculiar one; I do not know whether honourable Members are acquainted with it. The case was this: Mrs. Pollard happened to be cleaning her doorstep in a street in Paddington, and it appears that her legs protruded over the pavement, and one of our porters wheeling a high barrow full of parcels, which he could not see over, ran against her legs, and the injury was inflicted then. The man bore an exceedingly good character, and was only in receipt of a salary of 18 *s.* a week; it was a pure accident, of course you may say that it was carelessness, that he ought to have been looking out for this lady, but it was perhaps rather much to expect of him. The Postmaster General reprimanded and cautioned him, and thought that was sufficient. More than a year and a half elapsed before the compensation was awarded, and it would have been punishing the man again to fine him afterwards when the case had been adjudicated upon.

347. But the man was only reprimanded, was he?—He was reprimanded and cautioned.

348. A considerable injury must have been inflicted if 30 *l.* was awarded as compensation?—Yes; she was confined to her room for a long time.

Chairman.

349. (To Mr. *Mills.*) Would you desire to say anything on behalf of the Comptroller and Auditor General on this point?—No.

Appropriation Accounts.

On Vote 5.

Post Office Telegraphs.

Chairman.

350. (To Mr. *Turnor.*) Has not the time come when the revenue derived from telephones and the expenditure in providing and maintaining telephones and so on, should be set forth separately on the face of the accounts?—We have the decision of the High Court of Justice, which is a very important one for us to adhere to, that telephones and telegraphs are exactly the same thing; and if we made any distinction in our account it might be rather embarrassing. We never have done so.

351. (To Mr. *Mills.*) Is there much importance, from an account point of view, in separating these items?—No; but the Comptroller and Auditor General thought it was right that Parliament should be seized with the knowledge that there was some telephone revenue included under the head of "Telegraphs."

352. (To Mr. *Spring-Rice.*) Have the Treasury any view upon this point?—I think the Treasury would consider the reason given by

Appropriation Accounts.

Vote 5.—Post Office Telegraphs—*continued.*

Chairman—continued.

Mr. Turnor as a sufficient one, even if it were practicable to separate the expenditure.

353. (To Mr. *Turnor.*) Under the head of "Annual Stocktaking," the Comptroller and Auditor General states that in no case does it appear that stock was taken by or in the presence of a really independent officer, and that he has drawn the attention of the Postmaster General to the subject, as he considers it a matter of great importance that stock should be so taken; the reply to that was that the Department is in communication with the Treasury upon the general question of stocktaking; has that matter been settled?—The Department on the 3rd of January last wrote another letter to the Treasury making certain suggestions as to how it was to be done, and that is still under consideration.

354. But as to the object in view, is the importance of it recognised by the Postmaster General?—Yes, perfectly; but there are a great many difficulties in the way.

[The Witnesses withdrew.

Wednesday, 18th March 1891.

MEMBERS PRESENT:

Mr. Barran.
Sir Walter Barttelot.
Mr. Sydney Buxton.
Mr. Crawford.
Mr. Jackson.
Sir Ughtred Kay-Shuttleworth.
Sir John Lubbock.
Sir Richard Temple.
Mr. Wodehouse.

SIR UGHTRED KAY-SHUTTLEWORTH, BART., IN THE CHAIR.

CIVIL SERVICE APPROPRIATION ACCOUNTS, 1889–90.

Sir CHARLES LISTER RYAN, K.C.B., and Mr. STEPHEN EDWARD SPRING-RICE, re-called; and further Examined.

CLASS IV.

EDUCATION, SCIENCE AND ART.

ON VOTE 9.

PUBLIC EDUCATION (SCOTLAND).

Mr. HENRY CRAIK, C.B., called in; and Examined.

Chairman.

355. (To Sir *C. L. Ryan.*) I THINK that a decision of the law officers was given some little while ago, under which the Education Act of 1870 has been held to be binding in Scotland under the Act of 1876, so that no school, or department of a school, is eligible for annual grants "at which the ordinary payments in respect of the instruction for each scholar exceed 9 *d.* a week"?—A decision of that nature was given by the majority of the English and the Scotch law officers in 1887.

356. And under those circumstances you report to the House that circumstances have been brought to your notice which do not permit you to feel satisfied that the official returns of fees payable made by all school managers are either accurate or complete?—That is so; the point of law I take to have been decided by the law officers' opinions; and the question then was, assuming the law officers' opinions to be that the Education Act of 1870 applies, whether the payments were in accordance with it. I was not satisfied upon that point.

357. I believe in Scotland the school fees are commonly paid quarterly in advance, and not weekly?—That is commonly the case.

358. The question put by the Department on the official form is, "What are the rates of fees per week"?—On Form IX. that is so.

359. It appears to be the practice of the managers to make their own calculations as to what shall be reckoned as the weekly equivalents, and the results only of those calculations are entered on the answer in the official form?—That is so.

Chairman—continued.

360. You have had, I believe, an opportunity lately in a few instances of comparing the alleged weekly equivalents with the actual quarterly fees mentioned in the school prospectus?—Yes; in one or two cases the actual prospectus has come under my notice.

361. And you give here certain instances?—I give instances in my report in the paragraph which follows.

362. Perhaps it would be as well to have them upon the Notes?—Perhaps I might read the paragraph: "The importance of these calculations being verified by the Department itself, and so subjected to my scrutiny, is thus evident. For instance, at Paisley Neilson School, in the year under review, in addition to 199 scholars admittedly paying more than 9 *d.*, there are as many as 433 scholars, out of a total of 1,060, in respect of whom it is claimed that they pay exactly 9 *d.* each. At Garnet Hill School, in addition to 409 scholars out of a total of 1,460 admittedly paying more than 9 *d.*, there are 381 scholars who are stated to pay exactly 9 *d.* In three Govan schools also, Hillhead, Bellahouston, and Hamilton Crescent, large numbers of scholars are stated to pay 8½ *d.* each. In the absence of proper information as to the exact quarterly fees charged in each case, and of means of checking the calculations, and in view of the discrepancies already discovered, and of the allegations of the Lenzie managers (referred to later on) as to the mode of reckoning adopted by the Glasgow and Govan Boards, I cannot accept as sufficient the official statements made as to the weekly fees payable."

 363. (To

Chairman—continued.

363. (To Mr. *Craik.*) I do not know that with respect to the facts stated by Sir Charles Ryan, so far, there is any difference of opinion between the Scotch Education Department and the Comptroller and Auditor General?—The Scotch Education Department accept entirely the decision of the law officers. The difference is as to the interpretation, or, I should say, to be more correct perhaps, the application of that opinion.

364. But as regards these facts, they have been discovered with respect to certain schools, viz., that the weekly equivalents have been stated in the way described by the Comptroller and Auditor General; I suppose those facts are not in dispute?—I do not know that we would quite admit so much. The fact is, of course, admitted by the Scotch Education Department that the schools in Scotland do frequently state a weekly fee which they calculate from their quarterly fee; but we do not admit, unless specific proof is given in particular cases, that that calculation is erroneous or misleading. On the special cases, of course, I shall have something to say.

365. (To Sir *C. L. Ryan.*) With regard to the character of some of these schools, you have obtained evidence, have you not, from the prospectuses that their aim is to provide a high class education?—That is so.

366. And you give in your report certain instances, the Hill Head School, for example?—Yes, I give instances in the paragraph in the report to support that general contention. For example, the Hill Head School, "'while maintaining thorough efficiency in the ordinary subjects, will also furnish for boys, on the one hand, a high class commercial education, and on the other prepare them for the University; and for girls a sound course of education and accomplishments.' Other prospectuses of a similar character have come under the notice of my Department; and it is noticed in these cases that it is only in the infant department and in the very lowest standards that not more than 9 *d.* a week is apparently payable."

367. In the case of Garnet Hill School, as to the teaching provided, you have observed that in the inspector's report on this school it is stated that this school "justly occupies an acknowledged place among the best secondary schools in Scotland"?—Yes.

368. That was in the Report for 1889-90; what was stated in the Report for the following year?—In the Report for the following year "it is stated that only the lower section of the upper department is conducted under the conditions of the Code, and that the school provides a very efficient course of higher education; that the reading of the higher classes in classics includes portions of Livy, Virgil, Horace, Tacitus, Xenophon, Homer, Herodotus, Thucydides, and Plato; that in French and German the best scholars were well acquainted even with niceties of construction, and with conversational idiom; that the most advanced pupils in mathematics did excellent work in trigonometry and analytical conic sections; and that there was a purely scientific department." In connection with these reports the question is whether they come under the Education Act as being higher class public schools or not. That is the report of the inspector which attracted my attention.

369. (To Mr. *Craik.*) I think you do not regard these schools at the Scotch Education Department as higher class public schools within the meaning of Sections 62 to 64 of the Act of 1872?—Higher class schools are defined strictly in that Act, and we have no power to consider these as higher class schools. Our view with regard to this part of the Comptroller and Auditor General's Report is that it is entirely beside the question. The law officers' opinion has absolutely no bearing upon it. The opinion of the law officers was confined strictly and absolutely to one point, namely, the fee charged; and if we had extended it to mean that we should also exclude from our schools such subjects as those, it is not exaggerating to say that we would really have struck at the very root of the whole Scotch system. But the opinion did not touch the subjects of instruction at all.

370. (To Sir *C. L. Ryan.*) With regard to errors of return, I think you state that they have arisen in many cases from incorrect methods of taking into account the actual duration of the school year; you have found cases in which it has been assumed that the school sits during 48 weeks, whereas it only sits during 42 weeks?—Yes; some of the errors are owing to those causes, namely, inaccurate calculations; others I have found arose from causes which I consider more serious.

371. Perhaps you would explain what those causes are?—I think I will explain it in the words of the report, if you will allow me, because I cannot do it more clearly: "A system would seem to exist, the extent of which I have hitherto been unable to ascertain, under which some school managers, on finding that a full and complete return of fees charged and received would show the school concerned to be hardly within the provision of the ninepenny rule, have taken upon themselves the responsibility of deducting from the real figures a sum sufficient to apparently prove that it was eligible for Parliamentary grants. In such instances the gross figures would not be entered in the official form upon which the grant is claimed; neither would the amounts deducted be shown; nor would any opportunity be afforded me of being satisfied that the deductions were legitimate. So far indeed as the official form is concerned, my Department would ordinarily be left in entire ignorance of the fact that any deductions whatever had been made. This system has been found from past correspondence to have been adopted at the Edinburgh Church of Scotland Normal School, Garnethill School, and Lenzie Academy.

Appropriation Accounts—Class IV.

Vote 9.—Public Education (Scotland)—*continued.*

Chairman—continued.

Academy. The managers of the last-named state also that the same system is now pursued in schools under the Govan Board. In how many more instances such a system may prevail, I am not at present in a position to determine."

372. Then it seems that in each of these cases which you have quoted the managers contend that their action is justified?—They do so contend: "Seeing, however, that the gross fees appear to be exacted in advance from the children, compulsorily (except for a few extras), and thus to be 'the ordinary payments,' whether for non-code subjects, school material, or otherwise, it is improbable that the deductions can be, for the most part, admissible. In any case, it is, in my opinion, essential, as in the case of population grants, that the figures should be entered in gross; and that any deductions claimed from those figures should be filed in detail, together with the reasons for making such deductions."

373. Perhaps you would state to the Committee the facts you discovered, particularly in the case of the Lenzie Academy?—"As an illustration of the system, the facts discovered in regard to Lenzie Academy are significant. The figures on the claim first sent in for the year 1889–90 having been amended, re-amended, and again re-amended by the managers, I communicated on the subject with the Scotch Education Department. In reply I was informed that having been in correspondence with the authorities of the Academy, the Department had received 'distinct assurance' that the fees in the elementary department had been correctly given; and that their Lordships thought the managers had shown that the ninepenny rule was complied with. The departmental records were then further referred to by my officers, with the result that in addition to a prospectus of the school already noticed, it was found that the later correspondence stated that the managers claimed the right to make deductions, adding that the same course was followed by the Govan Board, and that the Glasgow and Govan Boards, in reckoning the weekly equivalent of quarterly fees, took the length of the school year as 48 weeks instead of the actual length. On comparing the statements of fees in the prospectus with the statements in the last official claim, great discrepancies were found in respect of every standard. For example, the managers in claiming the grant, stated that the fee in Standard VI. was 1 *s.* 3 *d.* a week. On referring to the prospectus it appeared that the compulsory ordinary fee was one guinea a quarter, a fee which, in regard to the length of the school year, is equivalent to 2 *s.* a week. Thus 37·5 per cent. of the true fee was concealed from view. The discrepancies in relation to the other standards are detailed in the Paper appended."

374. (To Mr. *Craik.*) The Comptroller and Auditor General here calls attention to two modes in which errors of return seem to arise; in the first place there are the errors which arise from a mistaken calculation with regard to the length of the school year; have you

Appropriation Accounts—Class IV.

Vote 9.—Public Education (Scotland)—*continued.*

Chairman—continued.

anything to say upon that point?—It is not very easy to say what is the proper length of the school year. We have endeavoured to keep it down further than the managers are disposed to admit we have any right to. The managers state that they have to keep up the buildings, they have to pay salaries, they have to keep guardians for the buildings during the whole school year, and they contend that it is not fair, therefore, to consider that they are incurring expense only for the limited part of the year during which the school may be open. We have endeavoured at times to cut it down to that period; but our practice has not been very uniform on the point, and I am not sure that their Lordships feel that they have any right to make the deductions from the weeks of the year.

375. You say you have endeavoured to cut it down; I suppose you have recognised that the basis of the whole question at issue is the weekly fee?—Yes.

376. Therefore in dealing with schools which have quarterly fees we must compare them with schools which actually have weekly fees; there are, for instance, schools in England which have weekly fees, and those weekly fees are not charged during the holidays?—Of course that may be so.

377. Is not the way of arriving at what is the weekly equivalent of the quarterly fee, to divide the quarterly fee by the number of weeks during which the scholars have actually attended the school?—I am afraid the school boards would frequently show very good reasons for modifying that; for even during vacations scholars may occasionally be in attendance; they may take special classes, or special instruction.

378. Is it held by the Scotch Education Department that that is the meaning of the clause in the Act of 1870 which I have already read, that no school, or department of a school, is eligible for annual grants "at which the ordinary payments in respect of the instruction from each scholar exceed 9 *d.* a week"?—I do not think it is quite a question of complying with that Article (which, of course, we do quite admit must be complied with); but it is rather a question of the way of interpreting that Article.

379. I should like you to explain how the Scotch Education Department can put any other interpretation upon that Article than that which is put upon it where the practice is actually to make weekly payments?—Supposing the school were closed on account of illness, or accident, or epidemic, for a week during a quarter, we surely are not to take anything off the quarterly fee on that ground.

380. Supposing that an ordinary elementary school, for which, of course, weekly payments are made by the parents, is closed for a week, or during the time of harvest, or during an epidemic, no fees are charged to the parents during that time?—Of course such school fees are now rather matters of history.

381. Would the Scotch Department dispute

 that

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Vote 9.—Public Education (Scotland)—*continued.*

Chairman—continued.

that when a school meets for 42 weeks in the year it would be irregular to calculate the weekly fee by dividing the fee for the year by 48 instead of by 42?—Unless they showed special grounds certainly for extending it beyond the 42, we should not do so; but I think that point in the calculation is perhaps assuming too much importance; because I do not think any of those cases now in dispute depends upon the number of weeks that we divide the total fees by.

382. Then we will pass on to the other point; what would you say on behalf of the Scotch Education Department as to the apparently rather arbitrary deductions which have been made in the case of some schools, notably in the case of the Lenzie School, from the amount received from the parents, in arriving at what is the weekly fee?—I object, in the first place, to the statement in the first paragraph of the Comptroller and Auditor General's Report, which seems to ascribe to the school managers a motive in this from its inception, which I am not prepared to admit. The paragraph says that: "Some school managers, on finding that a full and complete return of fees charged and received would show the school concerned to be hardly within the provisions of the ninepenny rule," followed a certain course of action. Now, it must be remembered that we have distinctly told the managers on some occasions to do this; going back as long, I find, as 13 years, it has been the habit of the Department occasionally to tell school managers that the income of the school, or the expenditure of the school, must not be swollen by the amount received as fees for higher subjects outside the Code, or by the amount paid for the salary of teachers outside the Code. This habit of considering that a certain higher department which, according to immemorial Scotch tradition has frequently been attached to a Scotch elementary school, and that its expenditure should be deducted from the ordinary expenditure, and not form a ground for swelling our grant, inasmuch as the pupils were not presented for the grant, has grown up; and no doubt the managers (as I think with very fair ground), thought that they were entitled in regard to the fees to interpret that where it suited them to their own advantage; that whereas they were prevented from bringing into the income of the school sums expended on such salaries, so they may leave out of account the fees paid for such subjects, in order to show that the ordinary fee came within 9 *d.*

383. That would be a class of deductions made with the purpose of distinguishing between the "ordinary payments" in the words of the Act, and other payments which you say are of an extraordinary character for subjects beyond the Code?—I have hesitation in accepting that; because then you press me to suppose that the only fee not an ordinary fee is the fee received from something outside the Code, which we could not admit. I believe that inside the Code there are ordinary and extraordinary fees.

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Chairman—continued.

384. Without going so far as that, and without saying that those are the only extraordinary payments, your contention would be that they are still excluded on the ground that they do not form part of the "ordinary payments;" is that the ground on which you accept the exclusion of certain payments for higher teachers and for non-code subjects?—I would rather leave out those very much disputed words "ordinary fee," around which almost the whole dispute centres, as it seems to me. I say the instruction is outside the Code, and is not recognised by us as a subject for a grant.

385. How can you leave out the question of whether they are "ordinary payments," seeing that those are the words in the section under which the whole of this question arises?—I say there are ordinary and extraordinary payments under our cognisance; but those fees paid for subjects which we do not pay a grant for, and which lie outside our Code, are fees which, as I contend, are absolutely outside my cognisance altogether.

386. I will come to the case of the Lenzie Academy for example; what is the view taken by the Scotch Education Department of the objections made by the Comptroller and Auditor General to the deductions which the managers have claimed the right to make in that case?—I acknowledge there that a very serious difficulty has been raised, and so serious a difficulty that no grant has actually been paid upon those returns to which the Comptroller and Auditor General takes objection.

387. You mean, I presume, no grant has been made since the year which is now under review?—On the year 1889–90, the returns for which the Comptroller and Auditor General objects to, we have not paid the grant. It has been due for more than eight months, but we admit the case is so difficult that we are not quite satisfied that the conditions have been fulfilled.

388. Are you quite right in your facts; if you turn to the top of page 376 I see there a grant paid on the 11th of October 1889 of 206 *l.* 3 *s.* 6 *d.*; for what year was that paid?—For 1888–89. (Sir *C. L. Ryan.*) It comes in course of payment within the year upon which I was reporting.

389. (To Mr. *Craik.*) In the year under review that payment was made?—Yes, but it was not made upon the returns now disputed; it was made upon previous returns; and it must be pointed out that the fee (unless I am wrong) has been increased since then.

390. (To Sir *C. L. Ryan.*) Surely the payment must have been made on the returns you quote in your Report?—I understood it to be so; clearly the payment came into the accounts of the year upon which I am reporting. (Mr. *Craik.*) When the Comptroller and Auditor General, at the bottom of page 368, speaks of "the figures on the claim first sent in for the year 1889–90 having been amended, re-amended, and again re-amended," on those returns we have paid no grant; I am quite positive as to that.

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Chairman—continued.

that. We have paid no grant whatever for 1889-90 to the Lenzie Academy.

Mr. *Sydney Buxton.*

391. When you say the year 1889-90, when does the school year end?—I think the school year ends in April or May. My impression is that the grant is due in June, but I am not quite sure of that; but I am quite sure that for the year 1889-90, to the returns for which objections are taken in this paragraph, no grant has been made. (Sir *C. L. Ryan.*) As regards the school year, the fact of its ending in June would immediately affect the question; that would bring it into the subsequent year. But this sum of 206 *l.* was paid in the financial year 1889-90.

Mr. *Jackson.*

392. There is no dispute as to the payment being made in a particular year; the question, as I understand is, whether it was a payment on the particular returns described by you in your Report?—That is what I understand to be the case. (Mr. *Craik.*) That is most certainly not so. Those returns which are referred to here as "having been amended, re-amended, and again re-amended," we admit are open to grave question, and I was going to explain to you the grounds on which we do so. It is not because we dispute the managers' right, in certain cases, to exclude a certain amount of fees; but we hold that where such fee is excluded it ought to refer to teaching outside of the hours required for secular instruction, and I think I might go so far as to say that in their Lordships' opinion it ought to be teaching which the scholars are not bound to take, which they can take or refuse at their option. Now I am afraid that is not the case with the Lenzie Academy. The managers have been most anxious to put me in possession of every fact connected with the case. It is upon their own returns that I base this dispute, and they have professed themselves as anxious to furnish me with any further information that their Lordships may deem necessary. They tell me the exact amount that they deduct from the total fee; they tell me further, in respect of what it is deducted; and they also inform me that it is not in respect of instruction always given outside the two hours of secular instruction, and that it is not voluntary. It is on those statements, therefore, that their Lordships have found it necessary, so far, to withhold the grant, or rather not to withhold, but to suspend the grant.

Chairman.

393. No decision has been come to, as I understand, actually to withhold the grant from this school?—No; but I must further take objection to the statement that this case is in any way paralleled by the other cases quoted.

394. I think the managers, in claiming the right to make deductions, stated that the same

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Chairman—continued.

course was followed by the Govan Board, and that the Glasgow and Govan Boards, in reckoning the weekly equivalents of quarterly fees, took the length of the school year as 48 weeks instead of the actual length; I understand you to say the same course is not followed in other schools?—I have received from the Glasgow School Board the assurance that that statement is incorrect. We have not entered upon a minute inquiry with regard to that, because, of course, it has only come recently before us, and it is necessary to wait for the decision of the Committee and for discussion of the question. It would have been premature for me to have asked information with regard to the method in these cases until I knew exactly the point to which we were justified in taking objection; but they have spontaneously sent me information in more than one case that this statement is not correct as applied to them.

395. To keep for the moment to the case of the accounts of the Lenzie Academy, I observe that the Comptroller and Auditor General proposed to you that its accounts, and those of any other schools that might be considered questionable, should be inspected locally by an officer of his Department in conjunction with an official of your Department; and after some correspondence you agreed under protest to an investigation, provided it was commenced that week. That offer was made the 13th of October 1890; but on the following day it seems to have been reconsidered, and the offer was withdrawn. That will be found at the end of the second paragraph of letter I. on page 375. Perhaps you will explain to the Committee why in the first place you accepted the proposal, and then why the idea was abandoned?—I entirely demur to the statement that we ever accepted that proposal. That proposal was laid before their Lordships, and it was felt to be a total reversion of our procedure, and a reversion which we thought was fraught with danger to the administration. On the 9th of October a letter was sent to me from the Comptroller and Auditor General when I was in Edinburgh; I have occasion to be for two or three days at a time in the office at Edinburgh. As I was in Scotland, I asked one of my colleagues in London to see if he could consult with Sir Charles Ryan. I was anxious, of course, as far as possible to meet Sir Charles Ryan's convenience, and being myself in Edinburgh, had it been possible to arrange at once that some responsible official of the Audit Office could have accompanied me, I would have been quite ready to go to the school, but not to announce in any way a formal or official visit. I would have gone with some official from the Audit Office whose responsibility was equal to my own; I would have explained to the managers most carefully the reasons why we went; I would have felt bound on the part of my Department to explain that we had no right to claim an entry to the school, and to look over their accounts, save as the basis for the grants which we intended to

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Chairman—continued.

make. I have no function to go afterwards to their school, and ask that the accounts should be submitted to me in order that I may detect that a wrong statement which previously satisfied me has been made. The rule is very distinctly laid down in Article 8 of the Code: "Officers are employed to collect information, to examine whether the conditions required to be fulfilled by a school in order to obtain an annual Parliamentary grant have been fulfilled, and to report the results to the Department, with whom it rests finally to determine whether these conditions have been fulfilled." The next Article goes on to define those officers. They are "inspectors appointed by Her Majesty on the recommendation of the Department, sub-inspectors, and persons employed by the Department as occasion requires in the capacity of acting inspectors, inspectors' assistants, or auditors of accounts." We do make such inquiry. If we find that further statements justify the Comptroller and Auditor General in raising a difficulty, then we may call for further information; but I see nothing in the Act or in the Code that allows us to demand an entry to the schools at that period, and ask for a submission of accounts.

396. On the other hand, is there anything in those words that limits the inquiry to the time before the grant is given; the question is to determine whether those conditions have been fulfilled; I do not know of anything that prevents that determination being made either before or after the grant?—Then we have the prescribed way of doing it, and I was actually at that time engaged in a correspondence with the managers of the school to ascertain exactly and clearly the facts of the case. The managers professed themselves, and I implicitly believe their profession, as ready to tell us exactly the facts. I ought to add that within the time of my visit to Edinburgh I did not hear anything from the Audit Office; I was obliged to be in London the next day, and I could not wait any longer; but we communicated further with the managers, and at a subsequent date in January last, I saw the managers in Edinburgh; they gave me the very minutest information, and informed me that if there was any further information required they were ready to supply it. To have sent down any inferior official of my own Department along with a representative of the Audit Office, would have been an assumption of power which I do not think is justified by the Act of Parliament, but which at all events (however that may be) was not justified by anything in the action of the school boards concerned.

397. Was there anything to prevent your sending an inspector or an inspector's assistant, or an auditor of accounts under Section 9 of the Code to investigate the accounts on the spot?—Nothing whatever; but whenever we think it necessary we do so.

398. Was it only that you did not think it necessary in this case?—We did not think it necessary, and also we thought that as regards an

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Chairman—continued.

inquiry of the sort that was proposed, however possible it might have been to pay an informal visit, as I say, on the part of two responsible officials, who would have known the exact limits of their powers and the authority they might adopt towards school boards, it would not have been possible to give instructions to any inferior officers which would not have trenched seriously upon the local authority.

399. I do not know quite what you mean by an "inferior officer;" the officers mentioned in this clause are "inspectors, inspectors' assistants, or auditors of accounts"?—We have never had any intimation from the Comptroller and Auditor General as to the person to be sent.

400. I am speaking of the official to represent your Department; was there anything to prevent your sending, not an inferior officer, but an inspector or auditor of accounts?—Nothing at all, because we frequently do so; but it is a conjunction of the two that is the difficulty; we did not think there was any room for a conjunction of the two authorities, that is, their Lordships authority with that of the Comptroller and Auditor General.

401. I do not quite see how your point about an inferior official comes in?—That point arises in this way: Had I, at the time I was in Edinburgh, been able, along with a person who knew the delicacy and difficulty of the position, to pay a visit to the Lenzie Academy and have a conversation with the managers, as I happened to be in Edinburgh, I was quite ready to do so. But acting upon their Lordships' most definite instructions, I declined to give formal instructions to any of our officers to visit as an act of ordinary administration in conjunction with a representative of an office whose function in regard to the schools is entirely different from our own. The Department has to pay certain grants. We act upon our own responsibility in paying these grants. The subsequent duty of audit is one with which we have no concern. We are responsible if we are found wrong; but it seems to me absurd that the office charged with the administration of the grants and whose payments are to be subjected to audit, should carry on an investigation,—an investigation (be it noted) which we distinctly say was not at that time necessary,—but, however that may be, should carry on an investigation in conjunction with some representative of the officer who has to audit these accounts.

402. You see the question which arose was, whether, owing to some error in the statement to your Department on the part of the Lenzie Academy, an illegal payment had been made to this school, and the Comptroller and Audit General, in the exercise of his undoubted duty, raises that question; what was there to prevent one of your higher officials, an inspector for example, being appointed to attend there with an officer of the Comptroller and Auditor General to investigate whether this was so or not?—All I

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Chairman—continued.

can say is that their Lordships had the matter very carefully under their consideration, and they came to the conclusion very deliberately that this involved a complete overturning of the administration; that if the functions of the administration and of the audit were to be carried on together, it was impossible for them to act upon their responsibility, that it would necessarily be a matter of pre-arrangement with the Comptroller and Auditor General as to which returns he was satisfied with, and if he were satisfied with them, we were then entitled to pay the grants on them. But if you will allow me to point out, we were entirely at one with the Comptroller and Auditor General in thinking that an informality had occurred. I object to the word "error," and still more to the other words used in some parts of the Comptroller and Auditor General's Report. I think the words he uses are that returns have been misleading and insufficient. We admit that an informality has occurred, and we informed the Comptroller and Auditor General in August last: "Their Lordships agree that the position of schools such as this raises some grave questions, that their claims to grants requires most careful investigation, and that the status of this school is one which it is difficult to define. They intend to take these questions into early and careful consideration, and they would be glad to have an opportunity for doing so before initiating any new or special method of inquiry with respect to the annual returns of a particular school. After such consideration, they will be glad to confer with the Auditor General on the subject, with a view of eliciting information in such a way as may be satisfactory to him." We were, meanwhile, employed in doing that.

403. But that was on the 19th of August, and these proposals for an investigation seem to have been in the month of October?—No; the first proposal was made before August; it was made on 16th May.

404. The Comptroller and Auditor General renewed his proposal on the 8th of October, did he not?—That was the time I was in Edinburgh, under circumstances which I have already referred to.

405. (To Sir *C. L. Ryan.*) I think you can probably remind the Committee of instances in which, in the case of other Departments, when questions of this kind have arisen, inquiries into accounts have been held locally by an officer of the Department responsible for the account and an officer of your Department?—I am not quite sure whether I can upon the spur of the moment refer to any specific case of the kind; but I thought it was entirely within the ordinary functions to ask the Department to consent to an inquiry with an officer of mine to ascertain the facts; it was only the facts that I wanted to ascertain; I wished the inquiry to be a joint one, so that there should be no dispute as to the accuracy of the facts afterwards.

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Chairman—continued.

406. Supposing the Scotch Education Department had sent one of its inspectors to make such an investigation, what would have been the status of the officer you would have sent to join him in the investigation?—The proposal I made was the principal clerk of my Department. (Mr. *Craik.*) No proposal of that sort reached us. (Sir *C. L. Ryan.*) It was the intention that the principal clerk in charge of the Scotch Education Vote should have gone to Scotland. (Mr. *Craik.*) I would only like to lay before the Committee these points: first, that their Lordships have had this matter very carefully under consideration, and they feel that the questions involved are very difficult and very large; but further, in regard to this particular instance, they had no doubt whatever that they were reaching the exact truth, and they had no doubt as to the accuracy of the returns furnished in these particular cases.

407. (To Sir *C. L. Ryan.*) I understand from your Report that an opinion from the law officers having been obtained in the year 1887, that the Act of 1870 applied, in so far as regards the ninepenny limit to grants to Scotch schools, a case was submitted to the English and Scotch law officers, and their opinion was given in May 1890 on the proper interpretation to be attached to that section of the Act of 1870?—That was so; the opinion they gave, as I understand, was, that though the average amount of the fee paid forms a guide for determining whether a school does or does not fall within the concluding words of Section 3 of the Act of 1870 it is not conclusive; that it is really a question of fact in each case to be determined according to whether a large number of scholars do or do not pay more than 9 *d.* I thought that the wording of the law officers' opinion displaced the system of average, the provisions of the Code with respect to which must be regarded consequently as inoperative.

408. I suppose you refer there to the words in Section D. of Article 6 of the Code, in which the words with respect to the 9 *d.* limit are these: "The ordinary payments in respect of the instruction from each child must not exceed 9 *d.* a week on the average number on the books"?—That is so.

409. Your view is that that idea of average was superseded by this opinion of the law officers of the Crown to the effect that the average amount of fee paid was not the guide in the construction of that section of the Act of 1870?—Yes.

410. (To Mr. *Craik.*) Who took the law officers' opinion in 1887?—My recollection is that it was a joint case, but there is no doubt as to the purport of that opinion. (Sir *C. L. Ryan.*) It was forwarded to me on the 22nd July 1887 by the Scotch Education Department.

411. (To Mr. *Craik.*) Perhaps the most regular way would be for me to ask you to give us the purport

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purport of it?—The general purport I can state very shortly.

Mr. *Sydney Buxton.*

412. Will you tell us what the question submitted to the law officers was?—We asked whether it was considered by the law officers that the fact that the English Education Act of 1876 included certain provisions for the payment of grants to schools in Scotland, thereby imported into the Scotch Acts certain definitions from the English Act of 1870, the consequence of which would be to restrict the power of charging the fee to 9 *d.* a week. No such restriction certainly existed under the Scotch Education Act or any subsequent Act; but the law officers held that the Act of 1876 had the effect of restricting us to a fee not exceeding 9 *d.* a week, however that fee should be interpreted; of course, that they did not touch, but they considered that the rule of the English Act of 1870 was by that Act of 1876 applied to Scotland.

Chairman.

413. I think perhaps we had better have the opinion a little more fully; perhaps you would just run through their opinion, and give it to the Committee a little condensed?—They say, "We answer in the affirmative the question put to us, 'whether the ninepenny rule applies to Scotland.' This is, in our opinion, the result of the legislation of 1876." The next paragraph is just elaborating the arguments to support that opinion.

414. We should like to hear it?—"It cannot be disputed that Section 20 of the Act 39 & 40 Vict. c. 79, applies to Scotland by virtue of Section 53. The question is, therefore, what does Section 20 mean? In Section 20 occur the words, 'public elementary schools.' We think that this expression constitutes a 'term' in the sense of the second paragraph of Section 48. Accordingly the expression 'public elementary school' is to have the same meaning as in the Act of 1870. Now the 7th section of the Act of 1870 declares what are 'public elementary schools.' A perusal of that section will show that it is concerned with the definition of this attribute 'public,' and it is enough to say that nothing in that section bears very directly on the present question. The section accordingly throws the reader back upon the definition of 'elementary school,' which is given in Section 3 (of the Act of 1870). In our view this latter section is decisive of the present question. It is here that the 'ninepenny rule' is laid down, and accordingly the 'ninepenny rule' is made by reference a condition of the grants to Scotch schools." I think I need not read the rest.

415. Was that the opinion of the Scotch law officers as well as the English?—The opinion of the English law officers was not unanimous. It was the opinion of the Scotch law officers, and it

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virtually was agreed to by the English Attorney General, Sir Richard Webster. The Solicitor General took another view.

416. The view which was taken by the two Scotch law officers and by Sir Richard Webster has been adopted, of course, by the Scotch Department?—Yes.

417. (To Sir *C. L. Ryan.*) Then we come to the case which you laid before the law officers in 1890; perhaps you will kindly give us the purport of the opinion thus obtained?—The purport of the opinion which was given on the questions submitted in a case, which may practically be taken, as I think Mr. Craik would admit to be a joint case. (Mr. *Craik.*) Yes, to all intents and purposes. (Sir *C. L. Ryan.*) The opinion taken on that case, not on an *ex parte* case, was to the effect that the Act cannot be properly construed in the way suggested, viz., so as to exclude a school in which any one individual child pays more than 9 *d.* To adopt such an interpretation would make the words "each scholar" equivalent to "any scholar"; which would not, in the opinion of the law officers, be warranted by ordinary principles of construction. The purport of the opinion of the law officers is that although the average amount paid by each scholar affords a guide for determining whether a school does or does not fall within the concluding words of Section 3 of the Act of 1870, they think it is not conclusive. The question is really one of fact in each instance, and it is difficult to lay down any rule which can be applied in all cases; but they think that if in any school a substantial proportion of the scholars, or at any rate a large number of scholars, pay not more than 9 *d.*, the school is within the definition of an elementary school. They think that the upper division of a school in which the principal part of the education is not elementary, or in which every scholar who makes a payment pays more than 9 *d.*, constitutes a separate department, in respect of which no grant can be made, provided it is distinct from the rest of the school either in respect of finance or organisation. But they do not think that a mere upper class, if otherwise undistinguishable from the rest of the school, could fairly be called a separate department. That, the Committee will observe, is of importance as bearing upon these questions.

418. In acting upon the law as thus interpreted, do you say, "It follows that the proper course in every case is to consider the proportion borne by the number of scholars ordinarily paying more than 9 *d.* a week to the total number of scholars on the books, regard being given to attendant circumstances"?—That is so.

419. And then you say, "The principal question then remaining is what may that proportion normally amount to"?—Yes.

420. Then after considering the point that in the first Code of 1880, which fell through on a dissolution of Parliament, the idea was to fix the maximum proportion of scholars who might pay more

Chairman—continued.

more than 9 *d.* at 10 per cent., you decided not to act upon quite so restrictive a limit, but with an exception for special cases you adopted the rule that all schools must be considered ineligible in which the proportion of the scholars paying more than 9 *d.* a week amounts to 20 per cent. and upwards?—Yes. I should like here to say that it was incumbent upon me to fix upon the proportion, though the law officers' opinion did not give me any distinct guide. I had to take the proportion, and therefore I fixed a proportion. At the same time, the proportion is one which I should be quite willing to take any ruling from this Committee about. If they thought, after hearing what Mr. Craik has to say (which I do not know), that the proportion which I have fixed is an unduly restrictive one, I am quite prepared to accept any ruling which the Committee may choose to make on that point. It is a point that I had to give a decision upon, which I have given a decision upon; but I give it subject to a higher authority.

421. The result of the application of your rule has been to disallow the grants in the case of 17 schools where the proportion of the scholars paying more than 9 *d.* was 20 per cent. and upwards, and in one school where the proportion was between 10 and 20 per cent.; in that case I see that you explain in the first place that there was an extraordinary proportion of children who were paying exactly 9 *d.*?—Yes.

422. And in the returns for the following year for that school, the per-centage of scholars paying more than 9 *d.* rises to 43)2 per cent.?—Yes.

423. Under those circumstances, therefore, you disallowed the grant for 18 schools?—Yes.

424. Amounting altogether to 12,246 *l.* 19 *s.* 6 *d.*?—Yes.

425. (To Mr. *Craik.*) I would like to ask you what is your view of the interpretation to be placed upon the law officers' opinion, and what you have to say upon this question of the proportion or average fees?—I would rather, if you would allow me, take the last question first. The grants paid to these 18 schools are objected to on account of their not answering to a certain assumed proportion of scholars who are not under 9 *d.* a week. Now, in the first place, I would say that this is a rule which we never heard of as applied to the Scotch Education Department, which had not been the practice, and in the direction of which no ruling had laid down until it was brought forward in this letter of the Comptroller and Auditor General. We entirely object to its being taken as any more a general rule for our guidance than that of average. With regard to its history, in 1880 it is stated that a Code was laid upon the table of the House, defining a certain per-centage of 10 per cent. The Code fell through, it is stated, on the dissolution of Parliament; but it is forgotten that the dissolution led to a change of Ministry, and to the Code being set aside very much upon the very fact that this

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10 per cent. was put into it. Further, that Code so laid upon the table of the House, and so abandoned, because it limited the per-centage to 10 per cent., did not apply to Scotland at all. It never was even proposed to put it into the Scotch Code, or to act as a rule of practice upon such a per-centage.

426. I suppose in the year 1880 it was not held that Section 3 of the Act of 1870 applied to Scotland?—But we did, under our Code in the year 1880, as a matter of practice, always adopt the 9 *d.* limit. If the Committee wishes I can explain the history of the matter.

427. You adopted it with the word "average," I suppose?—With the word "average." We adopted it as a matter of administration, but without the idea that we were bound to adopt it as a matter of law. We only knew that when we attempted to take a different course, and the Comptroller and Auditor General stopped us. As I say, this disallowance is based upon the the percentage element, which is a new one certainly and was not in their Lordship's minds when any of these grants were paid, which had never been even mooted as regards Scotland, which having been mooted in regard to England in 1880 was only mooted to be discarded. That is the rule upon which the Comptroller and Auditor General objects to my payments, and he bases that upon this opinion of the law officers. I must say that I read the opinion of the law officers in precisely the opposite way. The law officers do not set aside or eliminate the average element altogether; they say that although the average amount paid by each scholar affords a guide for determining whether a school does or does not fall within the concluding words of Section 3 of the Act of 1870, they think it is not conclusive. That is to say several rules of practice have been more or less put forward at various times. One has been to say that the fact of the bulk of the scholars paying less than 9 *d.* brings the school within the definition of Section 3; another was to say that if for ordinary instruction (excluding instruction which is of a specially high kind) nothing more is paid than 9 *d.*, then it should come within Section 3 of the Education Act; and the third rule was that of average which we are now discussing. I would like to point out that in 1882 the Comptroller and Auditor General objected to the action of the Department, because it had in one case departed from this rule of average. We therefore held, and I think we were justified in holding, that the Comptroller and Auditor General himself leant to average as being the proper course to to be adopted; and as the result in the next year in the English Code, average was actually put in and has been followed in every English Code since.

428. Is the word "average" in the English Code?—Yes; the process is carefully defined as to how it is to be taken.

429. Which

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Chairman—continued.

429. Which Article is it?—It is the note to Article 3. You see they define the process by which it is to be arrived at.

430. First of all it should be stated that Article 3 is simply a quotation in inverted commas from Section 3 of the Elementary Education Act of 1870, which I have already read to the Committee?—Yes; I was not going to read the section, but only the note.

431. You are now going to read the note in smaller type which follows that article, I understand?—Yes; and which has precisely the same force as the article has, it must be remembered: 'The 'ordinary payment' for each scholar must cover all the instruction given in the school; and will, as a rule, be found by dividing the total amount of fees payable for any week by the number of scholars on the registers for that week." That does not apply to us, but it expresses our practice. Now, I say that in making these payments we were proceeding according to the rules we have always followed; we were following the practice which we were fairly justified from what happened in 1882 in assuming to be the practice favoured by the Comptroller and Auditor General; and I hold that the law officers' opinion, instead of making us abandon it altogether, only says that it is to be one guide amongst several which we may bear also in view; and, remember, that the law officers' opinion goes on to give an interpretation that would be very much more favourable to these particular schools, an interpretation which I must say is absolutely undiscoverable from the account of the Comptroller and Auditor General. The law officers say, not that an absolute proportion of scholars paying more than 9*d.* a week is to exclude a school from grants, but they say that if in any school a substantial proportion of scholars, or (the law officers go even further) at any rate a large number of scholars, pay not more than 9*d.* a week, the school is within the definition of an elementary school. It seems to me, then, by this opinion, we are justified first of all in calculating the average. If the average seems to us, from any special circumstances, either to be too favourable to the school or too unfavourable to the school, we may then take into consideration other elements. We may ask how many scholars are paying 9*d.*; is it such a number as conforms to to the last sentence I have quoted from the law officers' opinion. I cannot see any reason whatever for the Comptroller and Auditor General referring throughout this list to fees which are admittedly, by his own statement, under 9*d.* What does it matter that so many scholars pay exactly 9*d.*; suppose every scholar in the school paid exactly 9*d.*, not the most extreme interpretation could say that the school was contrary to the Code. Therefore I cannot see in the least how, except to raise a feeling of opposition to these schools, various fees approaching 9*d.*, although admittedly beneath it, are quoted.

432. First, with respect to the last point, does

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Chairman—continued.

not the Comptroller and Auditor General point out, as we have already heard, that the return as to the weekly equivalents of the quarterly fees is a return made at the will of the managers of the particular school, and he has suggested some doubt upon the accuracy of the statements of the managers of schools in calculating that equivalent of the quarterly payment; he has called attention to the fact that in many cases they exclude certain payments. We have gone into that point before, and I do not wish to repeat what has been said, but is that not the explanation of his calling attention to the ninepenny fee?—That is his explanation in the case of the Lenzie Academy, as I understand, but it is denied in the case of other schools.

433. (To Sir *C. L. Ryan.*) That is your explanation with regard to certain schools in the list, is it not?—Certainly. In my opinion, every one of those was a calculation, not an actual fact.

434. Not the actual weekly fee?—No; because those fees are paid quarterly. (Mr. *Craik.*) Yes; but we should join issue with the Comptroller and Auditor General as to the calculation. We hold that the managers are justified in making the calculation and dividing the quarterly fees, and we have specially asked that they should do so by the form of our returns.

435. (To Sir *C. L. Ryan.*) What have you to say upon the two points made by Mr. Craik; first, what is your view with regard to those words in the English Code in which the doctrine of average seems to be admitted?—To really understand this question, I would, I think, have to take the Committee into a long historical statement. The question of what should be the payment has been discussed before this Committee and has been referred to a Departmental Committee, and we have accepted and worked upon the system of average until the law officers' opinion, in our view, displaced it. This is a recent action, so to speak, of ours, caused by what seems to us a difference of view in the opinion given by the law officers.

436. Would that, in your view, affect the English Code, and make these words in the English Code at issue with the law?—Yes; the law officers' opinion would affect both Codes. (Mr. *Craik.*) Perhaps for our guidance in the future Sir Charles Ryan will state the points, in the law officers' opinion, that seem to displace entirely this rule of average. I see nothing in the words to do so; they are perfectly plain. (Sir *C. L. Ryan.*) The law officers' opinion, I admit, is a difficult one to construe. The definition which they give of a substantial proportion or a large number is a matter which I have already admitted is a question of construction, and one which, as to the exact amount to be fixed, I am prepared to take any ruling which may be laid down. I had to form an opinion upon it, and have formed it. (Mr. *Craik.*) That was not the point I was asking, and perhaps I may be allowed to ask the question, because it would be a matter

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Chairman—continued.

a matter of such importance in administration. It is not the last sentence of the law officers' opinion I am referring to; but what I am asking is, what words in the first sentence of the law officers' opinion displace, as the Comptroller and Auditor General says they displace, entirely the average calculation? (Sir *C. L. Ryan.*) The opinion must be taken as a whole. I am not prepared to argue upon words without having time to consider and give my answer. It is very difficult to give off-hand an opinion which shall be binding and authoritative upon so difficult a point as the question of the construction of the law officers' opinion. Mr. Craik asks me to point to the precise words that convey that, but I must have time for consideration before I can do so. (Mr. *Craik.*) I would only point out that the words are that the average amount paid by each scholar does afford a guide for determining whether a school does or does not fall within the concluding words of Section 3. It seems to me that is capable of only one interpretation.

Mr. *Sydney Buxton.*

437. In regard to the question of the returns and expenditure of these schools, the Comptroller and Auditor General says, at the bottom of page 368, that at all events if they are going to make these deductions they ought to give the gross figures in the official returns on which the grant is claimed, and then if they have any deduction to make such as you suggest, that is to say, for instance, reckoning the expenditure as going on the whole year, and so on, those deductions ought to appear; do you agree with that view, or not?—I do not agree with the analogy upon which it is based of the returns asked for in regard to population grants; I do not think the two cases are at all analagous, because our instructions to these schools have been that in certain cases the money expended, and the fees paid for subjects altogether outside the Code, should be excluded. We have held them as not coming within our cognisance at all, but, of course, we hold ourselves justified, and not only justified, but bound to ask for exact information wherever we think it is called for; and in the case of this Lenzie Academy I have before me a statement made in January, at my request, which gives to a farthing the gross fee, the fee returned, and the amount that they have deducted (*handing the same to the honourable Member*).

Mr. *Jackson.*

438. When you speak of the gross fee, is it gross payment?—It is gross payment. They put down in this table the gross payments paid upon the standards; then in the second column they say what they have entered in their returns for subjects under the Code; and in the third column the difference between the two; and they give explanations as to the basis upon which they calculated the difference, and felt themselves justified in making the deduction.

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Mr. *Sydney Buxton.*

439. This, as I understand, is not the official return but subsequent information which the Department asked for?—We have constantly to ask for such subsequent information before paying.

440. If it is not in the official form in all these cases, and you do not ask for such information subsequently, what possible check have you upon the managers of this school to secure that really they are returning correct figures, and that they do not, as the Comptroller and Auditor General complains they do, practically misrepresent or put in the figures in error, as I think was your expression?—I would rather say "informally."

441. What check have you that they do not put in the figures informally?—We have first of all the visit of our inspector; we have the auditor of accounts, who sees all the accounts of the school boards; our own officers are constantly examining them. We have returns, and any discrepancy or doubt in those returns at once forms the basis of a further inquiry upon our part. But further than that I should point out also that this Lenzie Academy is peculiarly situated. It is managed by two very large and important school boards, who happen to be absolutely hostile to one another, and to be constantly disputing, and the one of them is not the least likely to allow any irregularity on the part of the other to escape notice; in fact, I have had an intimation from individual correspondents in regard to this school board pointing out particular items in the account which they thought were open to criticism.

442. I understand, so far as regards this school, you did admit that there is some irregularity in regard to this return?—I did. Although they have told us what the deductions are, I do not think they were quite justified.

443. Then in regard to the assertion of the Lenzie Academy with reference to the Glasgow and Govan Boards, that in reckoning the weekly equivalent of quarterly fees they took the length of the school year as 48 weeks, instead of 42 weeks, for which the school was actually open; do I understand you to say that the Govan and Glasgow Boards entirely deny that they have ever done that?—No. The point they deny is that these subjects, for which the fee they deduct is charged, had been taught within the two hours of secular instruction; they say they have been taught outside of that time.

444. They do not deny that they have calculated the school year as being 48 weeks instead of 42, during which the school was actually opened?—My recollection is that whenever they have done so, they have given an explanation of the reason for so doing. We look very minutely into that.

445. Do I rightly understand you to justify that return as regards taking the school year for 48 weeks instead of 42 weeks for which the school was actually open?—I will scarcely go so far as that; but I think it is not to be so

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Mr. *Sydney Buxton*—continued.

readily assumed that we can cut them down too exclusively for every week during which the school happened to be closed; I only put in a word of caution as to that.

446. The Chairman asked you a question about it, but I did not quite understand how you justified this taking the school year as a greater number of weeks than the school was actually opened in regard to the question of this average fee; seeing that in such schools as the fee is charged not quarterly but weekly, they could only reckon the fee on the actual number of weeks for which the school is open?—I do not like to give an opinion off-hand; but the schools might say, If we are to charge a weekly fee we will charge that fee proportionately large to cover the expenses for the up-keep of the school during vacations as well. Being a quarterly fee, we reckon it for a quarter of the year.

447. If they charged more by the week the fee would be all the more likely to exceed 9 *d.* a week?—It would; but I do not think any case of these 9 *d.* fees here turns upon the precise number of weeks reckoned for.

448. I rather gather from the turn which the examination has taken, and your replies, that we shall have this same question before us again next year. I understand that practically, taking the matter all round, you justify the position taken up by these schools with the exception of Lenzie Academy, and therefore probably this question of the average fee and the excess charge will come before us again?—It is a very large question. I think it is affected greatly by the proper interpretation of our duties under the Scotch Education Acts. We are told distinctly (and this is a very important point) in Section 67 of the Act of 1872 that "due care shall be taken by the Scotch Education Department, in the construction of such minutes, that the standard of education which now exists in the public schools shall not be lowered, and that as far as possible as high a standard shall be maintained in all schools inspected by the said Department." That proviso certainly was introduced into the Act in order to keep up the tradition, and what we hold to be the valuable tradition in the Scotch parochial schools, that different social classes should meet together in them, and that a certain amount of higher education, as well as mere elementary education, should be given; and we have to keep that in view.

449. In the opinion of the Scotch Education Department, the suggestion or proposal of the Comptroller and Auditor General (namely, that an excess of 20 per cent. over the 9 *d.* fee would be allowed), would not be sufficient; as I understand, practically you desire a larger percentage over the 9 *d.* fee than 20 per cent., in order to carry out the regulation which you have just read?—Certainly. But our chief objection to adopting any fixed rule of the percentage over the 9 *d.* is that we find no justification; and I may even say no reference to such a thing in the opinion of the law officers; and the only case where it was attempted in the Code was the Code for England, whose Education Acts are different from ours; and when attempted it was set aside, as I have pointed out.

450. You would prefer, as I understand, to leave the discretion in regard to this percentage of 9 *d.* fees to the Scotch Education Department rather to the Comptroller and Auditor General?—I think the discretion must, to a certain extent, rest with the Government I should, therefore, go further than the Department, and say it must rest with the Government and the House of Commons.

451. That, I suppose, practically means the Scotch Education Department, in regard to such matters as these?—I think the question is one of very wide policy, and intimately connected with another question which has been under discussion quite lately.

452. As far as regards any further legislation, that may be so; but I am speaking of the Acts as they exist at present, and I understand your opinion would be that the discretion in regard to this matter ought to be in the hands of the Department rather than in the hands of the Comptroller and Auditor General?—Undoubtedly; as between the two Departments, I understand certainly that the discretion as regards administration is not with the Comptroller and Auditor General, but with their Lordships. But it is connected, as I say, with a wide question of policy, which has been a matter of important Parliamentary debate as regards fee-paying schools.

Mr. *Barran.*

453. These are all school board schools, are they not?—No, they are not, and that is a very important point. Two at least of the schools quoted in this list are not school board schools; and it is important that the Committee should notice the effect of that. If these schools were board schools, they would be getting a share of the money we pay for the relief of the fees. Since these two schools are not board schools, they dispense with that money for the relief of the fees; they give more to their neighbours therefore, and they try to recoup themselves by the fee which the parents are willing voluntarily to pay. It is, therefore, a very important point that this voluntary contribution by the parent, which releases money that goes to other ratepayers and other parents, should not, by an over-rigid rule, be excluded.

Chairman.

454. Which are the two schools that you refer to?—I think, speaking from recollection, one is the practising school in connection with the Training College at Edinburgh; and the other is the Paisley Neilson Institution.

455. I understand you to refer to the Edinburgh Church

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Chairman—continued.

Church of Scotland Normal Practising School and the Paisley Neilson Educational Institution?—Yes; those are voluntary schools, which parents are selecting, and which we sanction as exceptions to the ordinary rules of free education, at the request of the managers, and upon their voluntary surrender of the money paid for the relief of the fees.

Mr. *Sydney Buxton.*

456. You have heard what has passed in your examination in chief, and that of the Comptroller and Auditor General, and you are now in a better position to judge as to what is proposed in reference to the local investigation of these questions which has been suggested; do you feel the same objection to it now as you did before?—Certainly; I do not wish to put it as a personal objection; I mean that their Lordships feel it. I may say personally that I am quite convinced that we have got more full and more exact information in this case than we have almost ever got from a school.

Mr. *Barran.*

457. Could not that information which you have got from the school be put before the Committee, distinguishing the education which is given at 9*d.* from that which is given for a higher scale of fee; we should then get the subjects which are taken beyond the ninepenny rate, and see the proportion which they bear to the others?—To give you that I would only have to read a list of figures. We have the figures here for the Lenzie Academy, and I could furnish a copy of them to the Committee if they desire it. Following upon my interview with the managers in January last they supplied me with this full information, saying that they had no wish to deny the fact of the deduction. They understood it was legal; but if they were not within the law they must suffer for it.

458. Did I not understand you to admit that, on the whole, the Scotch Education Department were inclined to agree with the Comptroller and Auditor General that the managers in that case were not entitled to the grants, and that the grants had been discontinued?—What I say is that it is a very doubtful point, which will need to be considered by their Lordships. I think in that one case there is serious question.

459. I ought perhaps not to have said that the grants were discontinued; but rather that they were suspended?—Yes.

460. Suspended until the question at issue with the Comptroller and Auditor General should have been settled either by this Committee or in some other way?—The final settlement of all these questions as regards all these schools would really be a matter of very great importance indeed. I would point out that if they are to be cut off it would be little less than a revolution in Scotch education.

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Mr. *Barran*—continued.

461. Coming to the Lenzie Academy, I want you to define the position of the Scotch Education Department in respect of that school, in order that the Committee may see whether it is necessary that you should lay this more detailed information before us?—The position is this: The grant is suspended: when their Lordships hear the opinion of the Committee upon the point, they will no doubt make up their minds as to the action to be taken in regard to this school. It would be wrong for me to say what that action would be; but I can certainly go so far as to say that the doubtful element in the case, and one which raises very grave doubts, is that this fee which they have told us that they deduct they have also told us is compulsory on all scholars, and is in respect of education given within the two secular hours; had it not been so I would have said the right to deduct is well within the law.

462. Under these circumstances, perhaps, it would be better if you would hand in such further information as you think would guide the Committee to a judgment upon the case of that particular school?—It is a little difficult for me to form my own opinion as to what would guide your judgment, because then I might wish to make a full statement; but perhaps it would be better if I just submitted the return they have made to us of these fees. (*See* Appendix.)

Mr. *Jackson.*

463. Which return, I presume, will contain all the figures and facts that would have been obtained by a local investigation?—Certainly; and if we find upon inquiry that there is anything further that we think should be asked, or if the Comptroller and Auditor General, in answer to our question, should say he wished for further information, we have expressly invited him to state that; and we are ready to ask for it; but we do not think we have any right to form a sort of alliance with him and go down and act as detectives upon the accounts of the school.

Mr. *Barran.*

464. Is there not a little jealousy on the part of the Scotch Education Department as to interference by the Comptroller and Auditor General?—Not the least; certainly not. It would be a very difficult thing for us to disburse a million a year without having the security of the Auditor General behind us.

Mr. *Donald Crawford.*

465. I suppose it is conceded that the definition of elementary school in the 3rd section of the Education Act of 1870 applies to Scotland now?—We must concede that.

466. (To Sir *C. L. Ryan.*) That definition is in these terms: "The term 'elementary school' means a school or department of a school at which elementary education is the principal part of the education there given, and does not include

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any school or department of a school at which the ordinary payments in respect of the instruction, from each scholar exceed 9 *d.* a week." The definition accordingly includes two parts: one, that elementary education is to be the principal part of the instruction; and the other the 9 *d.* limit; I understand, with respect to the schools whose grants you have disallowed, you take exception to them on both of those principles?—No; I take exception to it upon the ground of figures. I may have my own opinion as to whether it comes within the strict definition of elementary school, but I base my disallowance entirely on the ground of not being satisfied as to the figures.

467. As to the figures with regard to the 9 *d.* limit?—Yes.

468. You found your objection only on the last part of the section?—I do not consider that the other part of the section is one that falls sufficiently within my province for me to venture to found a disallowance upon it.

469. Taking the latter part of the section, that is, the figures, having given us the purport of the law officers' opinion, I would ask you: would you not be inclined to make some concession upon that point? The purport of the law officers' opinion, as I understand, is that if a substantial or a large portion of the scholars in a school are within the 9 *d.* limit, that school might be considered to be entitled to the grant. You have heard what Mr. Craik has said about the instructions the Department get to keep up a high standard of education in Scotland, and you are probably aware there is some difference between the English and Scotch school system on that point?—I have no doubt there is a difference between the English and Scotch systems.

470. Accepting that, or even taking the words by themselves, do you not think that the expression, "a large or substantial portion," might reasonably be interpreted to be something very much less than 80 per cent., which is the percentage you propose to require to be within the 9 *d.* limit?—The Committee will remember that, in my opening statement in this matter, I said that I was obliged, as I read it, to form an opinion as to what was meant by a large proportion in the opinion of the law officers, but that I was quite prepared if the Committee, after hearing what Mr. Craik's views were, thought that 20 per cent. was too narrow a limit to accept, any limit within reason which they might think more desirable than 20 per cent. I am in the hands of the Committee as to the percentage.

471. I quite understand that, and if you do not wish to enter into it further, of course I must not press it, but I thought you might perhaps have been disposed to concede something upon the point; you see, when we have to consider what a large or substantial proportion is, we ought rather to begin at that end and consider the proportion of the scholars who are within the

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ninepenny limit; and I should have thought that perhaps 80 per cent. would be a good deal above the minimum that the words, "substantial or large proportion," would naturally cover. However, I will not ask you further questions about that if you are not disposed to agree with me about it. (To Mr. *Craik.*) It appears to me that a good deal of the difficulty about the figures could be got over if it was distinctly understood that the actual fees received under all heads, and properly classified by each school, were, as a matter of course, to be brought under the notice of the Comptroller and Auditor General; do you dispute that the schools are bound to furnish the figures?—No, I do not, if we ask for them; but it is a matter of convenience whether, in the first instance, we should ask for them. If the Committee think it right that in every case we should ask for a statement of the full fees, so that we might compare them with the statement of fees given in the return, I see no reason to object to that; and, as a matter of fact, we have frequently asked that.

472. But then you see it is a question of ascertaining whether the conditions of the grant in a pecuniary sense have been fulfilled; that is the matter upon which the Comptroller and Auditor General must satisfy himself?—Yes.

473. Do you think it is possible for him to do so unless he has the full figures upon these subjects before him?—Of course we hold that part of the school lying outside the Code is not really a matter that concerns either us or the Comptroller and Auditor General; but I do not wish to dispute your proposal in any way. If the Comptroller and Auditor General had asked us, in reply to our letter of the 19th of August, Will you find out for me exactly the full fees and the fees deducted, and get a return of those, we would at once have done it, and, as a fact, we did do it without his making such inquiry; and I see no objection to that being asked in every case.

474. Have you got all those figures with regard to the other schools in question besides the Lenzie Academy now?—It may be necessary to ask for further information; since these schools have been brought before us by the Comptroller and Auditor General, no payment has been claimed by any of them, so that we are absolutely in the same position as we were when the subject was raised; but I do not understand from the printed statement of the Comptroller and Auditor General that he raises a difficulty with regard to these schools on the ground of these deductions, but that it is chiefly on the ground that the percentage of scholars paying more than 9 *d.* exceeds that percentage which he has, in our opinion without any authority, chosen to adopt.

475. At all events you would not object to get the full figures for these schools also?—No; before any further grant is made.

476. You have stated to us that where schools have

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Mr. *Donald Crawford*—continued.

have drawn an arbitrary line between the portion of fees that is applicable to elementary education and the portion that is not, the Department would be disposed to apply two tests: the one is whether education other than elementary was taught out of the ordinary hours; and secondly, whether the parent might take it or refuse it; are you in a position to say whether in any disputed case besides Lenzie Academy those two tests have been complied with?—As I said in examination in chief, we have not thought it proper when the matter was *sub judice* to communicate with any of these schools, seeing that no grant was actually under consideration; but I have spontaneously heard from one or two of these schools that those conditions are fulfilled in their case; that is to say, with regard to the first test, that a substantial number of children are able to avoid the payment of a fee higher than 9 *d.*, at the same time not getting the advantage of the higher instruction.

477. Then I would like to ask this: the expression in the definition "ordinary payments" is of course a very important matter in an inquiry of this kind; I observe that the word is defined in the English Code, Section 3; is not that so?—Yes; or is it not rather the case that they define the process by which it is to be found out?

478. The English Education Code, Section 3, says in the note "'The 'ordinary payment' for each scholar must cover all the instruction given in the school; and will, as a rule, be found by dividing the total amount of fees payable for any week by the number of scholars on the registers for that week." Now, supposing your two tests as to the instruction being in extra subjects taught out of school hours and the parents having the power to refuse it, were accepted as sufficient, do you think that those two conditions would satisfy the first part of his definition, that "the ordinary payment for each scholar must cover all the instruction given in the school"?—Certainly not; but then I do not hold that we are under the same conditions as England in that respect. The Comptroller and Auditor General has distinctly disclaimed the intention to apply the first part of the definition of elementary education to Scotch schools. Had he taken the other course I should have disputed it. I do not think that there is anything in the Education Acts that strictly limits the scope of the teaching in our schools as it is limited in England. I believe if that question had been put before the law officers in 1887 it might very likely have modified their opinion as regards even the application of the ninepenny rule; they distinctly never had that point as regards the instruction before them.

479. Did I understand you just now to desire to modify at all your first answer to me that the definition of an elementary public school in Section 3 of the Act of 1870 is applicable for the purposes of the payment of the grant in its entirety?—Not in its entirety. I understood you asked me for the purposes of the ninepenny fee; I did not mean to say it was applicable in its entirety.

480. As I followed the purport, the first opinion of the law officers in 1887, I understood them to lay it down expressly (though they called special attention to the ninepenny fee), that the whole definition applied?—No; in that first opinion of 1887 no doubt they quote the word "elementary;" but the whole bearing of the opinion as I read it is directed to the money question of fee. I should like just to refer to one element in that opinion which shows that the last words of the opinion upon which it is to a great extent based are these: "We may add there is no repugnancy in this result. On the contrary a plausible and obvious *ratio* of the enactment is that there is to be equality between the two countries in the receipt of grants." (Sir *C. L. Ryan.*) I think if you read that sentence you ought to read the whole paragraph. (Mr. *Craik.*) "That this result is inevitable may be shown in this way: We do not think that it is disputable that by virtue of the 20th section of the Act of 1876 the ninepenny rate governs English grants. Is it then possible to hold that the same language bears a different meaning when applied to Scotland? The answer to this question must be found in Section 53 of the Act of 1876 which applies Section 20 to Scotland. Now, in Section 53 there is no qualification or modification of Section 20, and the other relative sections in their application to Scotland; no suggestion that they are to be read in one way for Scotland, and another for England. They are applied as they stand, that is to say, with their statutory meaning. Accordingly, the proper order in which to read the statute is first to find out the meaning of Section 20, and to obey the injunctions of Section 53 by applying them, construed according to their assigned meaning to Scotland." Section 20, I should say is, the condition under which annual grants are to be paid. Then follows the sentence I have already read. I say that had this question of the sort of instruction to be given been before the law officers, and had they seen that they were not only to confine Scotland to the ninepenny limit, but also to shut out all higher instruction, I am quite convinced that they would have seen cause at all events to consider that very seriously. As a fact we have a definition in our Scotch Acts of "elementary" which is very wide.

481. Then you do not admit the first part of this definition in Section 3 of the Act, that the term "elementary school" means a school or department of a school at which elementary education is the principal part of the education there given;" you say that does not apply to Scotland?—I say at all events, I am not prepared to admit that it does.

482. Assuming that is so it does not yet supply the full answer to the point I had originally in view; the definition goes on to say: "and does not

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Mr. *Donald Crawford*—continued.

not include any school or department of a school at which the ordinary payments in respect of the instruction, from each scholar, exceed 9*d.* a week;" you admit that that does apply to Scotland?—Yes.

483. Now admitting to the fullest degree the distinction which you have properly pointed out with regard to the higher nature of Scottish education, can you suggest that the expression "ordinary payment" should have a different meaning in England from what it has in Scotland upon that ground?—I more than suggest it, I maintain it, and I think the very fact that a special definition of "ordinary payment" has to be enacted in the English Code shows that in themselves the words do not import that meaning.

484. The definition in the Code is that "'The ordinary payment' for each scholar must cover all the instruction given in the school"?—I would not call that a definition; it is a new rule which the English Code applies.

485. You say that there are reasons which would make the same rule inapplicable to Scotland?—Certainly.

486. Could you say quite briefly what those reasons are; because at first sight it might suggest itself to most people that in spite of all differences between the systems, ordinary payments should mean the same thing in both countries?—That would keep us to one meaning of "ordinary fee" or "ordinary payment" which I think the law officers are rather adverse to; I mean the law officers are rather adverse to confining the word "ordinary" to any one very definite limit.

487. Were they consulted with regard to that?—I consider they were consulted in this last opinion upon that point. We have been in the habit of saying that "ordinary" means average; they say, That is an element, but it is not the sole or absolute element. Another opinion is that ordinary means what is paid by the bulk of the scholars; no doubt the law officers would say that that is an element, but not the sole or absolute element. A third opinion is that "ordinary" means that which is paid for ordinary instruction. That is the opinion taken in the English Code; but it is not an opinion we would subscribe to.

Mr. *Wodehouse.*

488. It is stated in the Report of the Comptroller and Auditor General, that in the case of the Lenzie Academy the accounts on which the claim was made were "amended, re-amended, and again re-amended"; is that a common occurrence with the accounts submitted to you?—No; of course if that were so, in a great number of cases it would be a very great increase in our work. It is no doubt the minority of cases in which we have to amend the accounts, but they are carefully examined; and it is a matter of constant occurrence that we have to ask for further information or amendment of the returns.

489. Do I understand that ultimately you received assurances from the academy that quite satisfied you as to the legitimacy of the claim?—No; so little did we do so that the grant is suspended; we have not paid it yet.

Mr. *Jackson.*

490. There is a question I understand between yourself and the Comptroller and Auditor General as to any payment being made upon the particular return referred to in the Report?—It is quite certain that we have paid no grant upon the returns from the school for 1889–90. The last grant we paid was in 1889. The grant that would have been ordinarily paid in the summer of last year has not been yet paid.

Mr. *Wodehouse.*

491. You hardly admit, as I understand, the accuracy of the passage of the Report of the Comptroller and Auditor General to which I was alluding where he says: "In reply, I was informed that, having been in correspondence with the authorities of the academy, the Department had received 'distinct assurance' that the fees in the Elementary Department had been correctly given"?—That was for the previous year.

492. From an answer you gave, I think you will be prepared to give the Comptroller and Auditor General more information in future as to the gross payments and deductions than he has had hitherto?—We never would in the least, even in the past, have hesitated to give him any information that he asked for which we had. More than that, if he suggested anything which we thought he had a right to ask we would have obtained it for him; and, in this case, we are ready to supply him with any information we can.

493. With regard to the proposed local investigation, are you still adverse to it if it were conducted by an officer of each Department with adequate authority; say, for instance, in the case of the Department of the Comptroller and Auditor General, by a principal clerk?—Certainly not, if it were a principal clerk. The person referred to would not in my view have been a suitable person to carry on an inquiry such as I intended to take part in myself. That would not have been a formal inquiry; it would have been a visit to the school for information and for a general discussion of the position. It would, you must remember, have been entirely unofficial; and it was suggested by myself, only because I had the opportunity, being in Edinburgh, and was anxious to meet Sir Charles Ryan's views. I would have taken care particularly not to commit their Lordships in any way, or to treat it as a formal or regular visit, but it would certainly have required to be done by a person of

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Mr. *Wodehouse*—continued.

of high authority and judgment. As regards, however, our objection to this proposal, as a matter of ordinary routine it seems to me to break down the administration altogether. If I am to send down an official with an official representing the Comptroller and Auditor General, and if upon that Report we are to decide together what is the interpretation to be placed upon certain returns, if we hold a joint inquiry and come to some terms as to that inquiry, then it seems to me that my responsibility is taken away, and also that the power of the Comptroller and Auditor General to object to the payments is equally taken away. We must act separateiy, the Department as the administrative body, submitting all the information that is called for to the Comptroller and Auditor General and subject to his criticism but not associated with him in administration.

Sir *Walter Barttelot.*

494. I should like to ask you whether you understand the 9 *d.* as being the fee which guides you as regards your ability to get the Parliamentary Grant?—I certainly understand that 9 *d.* is the limit that was in the mind of Parliament for our Parliamentary Grants; but how that 9 *d.* is to be calculated is another matter.

495. Quite so; I do not want to go into that, but is not that 9 *d.* the money that is paid by the scholars for the week?—Yes.

496. And it is nothing beyond that?—In certain cases it may be beyond that.

497. To get the grant a child must not pay more than 9 *d.* a week?—Excuse me; the law officers distinctly repudiate that interpretation. The question laid before them was whether a single child paying more than 9 *d.* would exclude the school from the Parliamentary Grant, and they say no.

498. That is not at all my point; my point is this: You have shown and it is shown by this Report that there are a certain number of children kept down to 9 *d.*; they pay 9 *d.* and pay no more than 9 *d.*?—I do not quite understand your point.

499. Do you mean to say that the whole of the children in the school can pay more than 9 *d.* a week, and yet the school be eligible for a grant?—No; but I say that a certain number can pay more than 9 *d.*

500. I have said that to gain the grant you must show that there are a certain number of children in the school that pay no more than 9 *d.* a week; that is so, is it not?—Yes.

501. Then that being so your grant is founded on that 9 *d.*; you get your grant because the children have only paid 9 *d.* and no more?—Yes, that is to say, because a certain number have only paid 9 *d.* and no more.

502. There are others who pay more for certain other things that are taught, but those are not to be counted in the grant that you get for the school; that is so is it not?—No, I do not go so

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Sir *Walter Barttelot*—continued.

far as that. There may be some fees exceeding 9 *d.* even within the Code provided that they are not too numerous to overturn the general balance; that is to say, there may be some fees even for Code subjects exceeding 9 *d.*

503. We should like to know what those subjects are, because this is a very important point; so far as I have listened, and I have listened very attentively to all that has been stated, I have understood from you that you claimed that there might be certain allowances made for certain scholars who were taught other things and paid more than the 9 *d.* for them; but I understood you to fall back upon the principle that the school was only to get a grant if a certain number paid 9 *d.* or less than 9 *d.*, which is what was intended by Parliament?—I think I have been misunderstood. What I say is that in ascertaining the average fees you may cut off a certain number of scholars, their fees being quite outside the Code. At the same time I say that within the Code there must be a substantial number of scholars under 9 *d.*, but that there may be scholars over the 9 *d.* Even Sir Charles Ryan would admit that to the extent of 20 per cent., and I would claim a higher number; but at any rate there may be a certain number even within the Code who pay more than 9 *d.*, provided they do not overturn the general balance.

504. But as I understand from what Sir Charles Ryan has said you are anxious that a much larger proportion than 20 per cent., in fact a very large number, should be allowed to be over the charge, and yet you should get the grant?—I base my opinion simply upon the opinion of the law officers. They say that they think that if in any school a substantial proportion of the scholars, or at any rate a large number of scholars, pay not more than 9 *d.* in that case the school is within the definition of an elementary school.

505. Yes, it is within the definition of an elementary school, because there are a certain number of scholars who pay 9 *d.* or less than 9 *d.*, and therefore that brings it within that category, and entitles them to receive a certain amount of grant?—Of course, we pay what they earn under the Code. If it is a grant payable under the Code, we must pay it. But let me apply this: supposing I were to find a school contending that there were a considerable number of scholars paying less than the 9 *d.*, although I thought that, as a whole, the school was not one that was fairly eligible for the Parliamentary grant, then I would fall back upon the average again. I would say, Suppose we try the average fee all round, what result does that give? So that I would still, in certain cases, keep up the average as a check upon the payment of the grant.

506. Although, as I understand the Act, it distinctly says that each scholar shall not pay more than 9 *d.* a week?—As an "ordinary payment."

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Vote 9.—Public Education (Scotland)—*continued.*

Sir *Walter Barttelot*—continued.

507. Quite so: but supposing you only charge 6 *d.* ordinary fees, are you to have the power of making it up to 9 *d.* with regard to the whole school, although you have two-thirds paying only 6 *d.*?—Yes.

508. You think that would be right?—Yes.

Sir *Richard Temple.*

509. Does it not follow from your evidence this afternoon that, though this 9 *d.* rule in Section 3 of the Act nominally applies to Scotland, it is virtually set aside by the action of the Scotch Education Department?—No, I do not admit that at all. Of course, if I did, that would be admitting that we were going in the teeth of the law; but I cannot admit that. I think our defence shows that we have applied it as we think legitimately.

510. Does not it further follow that this procedure is really kept back from the cognisance of the Comptroller and Auditor General, the Parliamentary officer, by means of excluding figures from statements?—Not in the least; there is not a paper or letter of inquiry which we send to the school that is not open to the Comptroller and Auditor General. He sees every paper that we have and every inquiry that we make, if he chooses to ask for it.

511. But you will observe that the Comptroller and Auditor General at page 368 distinctly says that?—No; he says that the returns made by the managers exclude certain fees, but I have pointed out that the managers themselves tell us that they do so. There is nothing misleading or deceiving in that. The managers say: Here is our balance sheet, but certain things are excluded, and we tell you what are excluded.

512. But the Comptroller and Auditor General says that he does not know the figures that are excluded?—If he asks us we will find out, and give them to him; we are ready to supply every information that we have; and if certain things turn out to be excluded we will ask for more information; we will ask by correspondence, and we will inquire through our own officers to the very last point of satisfying ourselves; and if the Comptroller and Auditor General then says, "You did not take proper steps to satisfy yourselves," then he may supplement those steps.

513. But supposing that the average fee in the school should exceed 9 *d.*, what would be your opinion; I mean taking all the fees?—Do you mean the excluded as well as the included?

514. The excluded as well as the included, and the higher fees and the lesser fees together; supposing that taking them altogether the average should exceed 9 *d.* per head, what would your opinion be?—Our opinion would be that if the fee which raised the average above 9 *d.* was charged for things within the Code, and for which they claimed grants under the Code, then the school would not be eligible for a Parliamentary grant.

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Vote 9.—Public Education (Scotland)—*continued.*

Sir *Richard Temple*—continued.

515. But in reference to the wording of Section 3; does not the expression "ordinary payments" rather help your opinion?—I think it does.

516. From an educational point of view might it not be said that the term "ordinary payments" meant that there should be an ordinary fee, an all-round fee for every scholar, and that for certain specific extra subjects there might be an additional fee charged?—Certainly; that is the theory; let me put it in an extreme form, and I think the Committee will see it: supposing there are several children going to a parish school, some of them well to do and some of them poor, and supposing, for instance, we say the doctor's daughter wants to get a lesson in music after school hours are over, and pays a guinea a month, or whatever it may be, to the schoolmistress to give her that lesson; she asks no grant for the music, the fee is simply paid to the teacher; is it just that that should be included in the fees of the school, and that the school should thereby be excluded from the grant? That is the theory upon which it rests.

517. You contend that such payments are not included in the term "ordinary payments" under the Act?—Certainly.

518. What other meaning could be attributed to the term "ordinary payments"?—I think that the opinion of the law officers rather points to the fact that we must not strain the word "ordinary" down to one limit only. I read their opinion as telling me that you must keep the average fee in view; you must keep the number of scholars who are paying under 9 *d.* in view, and you must also keep the subjects for which they are paying it in view; you must keep all those three things in your mind when you have to decide what is the ordinary fee.

519. Would it not be better for the sake of the Comptroller and Auditor General's just control that these ordinary payments should be included in the statement, so that he should be in a position to judge?—If the Committee thinks that that ought to appear, we have no objection to ask for it on the understanding that those payments should be distinguished, and that we should have power to hold them as something outside the fees that we are bound to take into account. It would be a separate statement as I understand.

520. I understand your opinion to be distinctly, that excluding those special payments, the average ordinary fee is not to exceed 9 *d.* per head?—I would have answered that question absolutely in the affirmative, had it not been for this recent opinion of the law officers of the Crown, which says: "In our opinion, although the average amount paid by each scholar affords a guide for determining whether a school does or does not fall within the concluding words of Section 3 of the Act of 1870, we think it is not conclusive." Therefore, I only refrain from answering your question in the affirmative absolutely in view

18 *March* 1891.] Sir C. L. Ryan, K.C.B., Mr. Spring Rice, and Mr. Craik, C.B. [*Continued.*

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Sir *Richard Temple*—continued.

view of this slight limitation in the opinion of the law officers of the Crown, which makes me say that you may have to take other points into consideration. A school might contend, We conform with the law officer's opinion, because "a substantial proportion of our scholars, or at any rate a large number" of our scholars, pay not more than 9*d.*

521. Excluding those extraordinary payments, could you, as an educationist, contend, whatever the law officers may say, that the average could fairly exceed 9*d.* under the wording of the Act?—If you ask me as an educationist my own opinion, I would rather not see such schools included, I confess. I would rather see such schools raised to the level of secondary schools; but that is a personal opinion, not one that must bind the Department. I would like to see more of those schools releasing themselves from the Code and considered as higher schools; but I do not know that you would find that that was accepted entirely by the Scotch school boards.

Chairman.

522. (To Sir *C. L. Ryan.*) I understood Mr. Craik just now to state that the managers have fully informed his Department as to the mode in which they calculated the fee. As I understand the statement in your Report, you complain that such information was not given, but that they made the calculation for themselves?—They made the calculations; and I was not aware from the ordinary papers that came before me, and which we glanced through, that any deductions were made.

523-4. (To Mr. *Craik.*) Is it not the fact that you have obtained information since in consequence of the questions that have been raised?—Certainly; I admit that we did not receive it in the first instance, but the managers themselves said, "We always believed, and never doubted, that we were acting legally; we are perfectly ready to tell you the deductions we have made." And they had this basis for their belief: that we had in many cases told them expressly to shut out such returns, because at times they actually swelled our grants; they swelled the expenditure upon which we calculate the 17*s.* 6*d.* limit of grant.

525. (To Sir *C. L. Ryan.*) I omitted to ask you one question; you called particular attention to the concluding part of the opinion of the law officers of the Crown in 1890, of which you gave us the purport, namely, that part in which they state that the upper division of a school may be regarded as constituting a separate department, provided it is distinct from the rest of the school, either in respect of finance or organisation; I do not think you have stated to the Committee how you apply that opinion to any of the cases now before them?—I have not really sufficient information before me to be able to apply it distinctly. I think Mr. Craik all through has supposed that the investigation

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Chairman—continued.

which I asked for was an investigation meant to cast a slur upon the schools or upon their integrity. No such idea was in my mind at all; but I wanted to get, for the purpose of satisfying myself, information as to how far this 9*d.* fee came in or not, and a full knowledge of the system pursued with regard to the accounts of the school. I thought it would not be desirable or proper that the investigation should be conducted by an officer of mine without the presence of an officer of the Scotch Education Department at the same time, for the purpose of verifying the answers given to my officers, and with a view to being in accord. There was no intention whatever to send down a criminatory investigation, if I may so call it, but only one for the purpose of getting information and further knowledge. It is a very difficult question for me to deal with. If I pass a payment it is passed without any further question, and it cannot be questioned afterwards. I feel that I have a responsibility in the matter to Parliament to see that the workings of the Acts are properly kept in mind; and I only asked for information. (Mr. *Craik.*) Perhaps I might be allowed to explain that. I thought you referred to the last part of the opinion of the law officers, and therefore I did not understand how Sir Charles Ryan should enter upon these previous questions, which I thought had been discussed. But, apart from any criminatory investigation, I would say that their Lordships' objection rests upon the strongest administrative grounds. We think that if information is to be found by the Auditor General, it should not be found in conjunction with those whose accounts he is auditing.

Sir *Richard Temple.*

526. But the inquiry was surely to have been his?—If the inquiry is his, we can raise no objection to its being carried out.

Mr. *Jackson.*

527. I suppose, as regards the accounts, if the Comptroller and Auditor General wanted a more full statement, you would have no objection to that statement being made more full?—Not the least. We have asked the Comptroller and Auditor General to state anything further that he wants, and we will obtain it; but any personal visit or official inquiry into the accounts of any school, we hold ought not to be carried on jointly by us who administer and the persons who audit the accounts.

528. I do not understand that there is the smallest objection on your part to get all the information that Sir Charles Ryan wants?—None whatever.

Mr. *Barran.*

529. And to supply to it for Sir Charles Ryan through your Department?—We are ready to give him every information we have, and to ask for any further information that he suggests; but we contend that any inquiry that Sir Charles Ryan

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Mr. *Barran*—continued.

wishes to carry on must be carried on independently and not with us.

530. You object to a separate inquiry being made by an official of your Department with an official of Sir Charles Ryan's Department?—Certainly.

Chairman.

531. With regard to the question which I put to Sir Charles Ryan, I want to ask you this: does the question arise in connection with any of these 20 schools on the list of treating the upper division of the school as distinct from the rest of the school, either in respect of finance or organisation, and therefore as a separate department?—At present in Scotland there is not the same division between departments of schools as in England. The schools are considered as a whole, and managed financially as a whole, generally under one responsible head master; we do not know, except in rare cases, the distinction of a department. The last paragraph of the law officers of the Crown was given upon a point raised in the memorial on behalf of the Scotch Education Department, which pointed out that it would not be fair to exclude altogether a small department if that department, as a whole, did not bring the fee over 9*d.*

532. What I want to know is whether there is in any of these cases in this list a department which is so excluded as being distinct from the rest of the school either in respect of finance or organization?—Yes, there is, in certain of them.

533. Does that affect the question of the calculation of the 9 *d.* fee?—These upper departments and their fees would not be brought in of course.

534. They are not brought in in the figures before the Committee?—No.

Mr. *Jackson.*

535. Not included in the number of the children?—No. In one of these instances they tell us, for example, that some of the persons under instruction are over 18 years of age, and of course they are excluded altogether.

Chairman.

536. I gather that there is a conflict of opinion between you and Sir Charles Ryan as to the figures upon which his statements in the Report are based, and upon which the allowance is based?—I do not think so as to the figures.

537. If these figures in his Report are really not the figures for the school year on which the grant was given, of course that would affect the disalowance. The Comptroller and Auditor General informs us that these were the figures for the school year on which the grant was given; we should like, before we report upon this point to have the facts distinctly before us?—I do not think the Comptroller and Auditor General states the figures in his Report with regard to Lenzie School.

538. If you look at page 376 the figures are there set forth in respect of each one of those

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Chairman—continued.

schools, the number of scholars, the actual fees in the year, and the average fee; the whole thing is set forth there?—In the body of his Report the Comptroller and Auditor General objects to the system by which Lenzie Academy is allowed to exclude certain fees; but in the list to which you refer on page 376, he objects to the Lenzie Academy because on their own showing there are 50 per cent. of the scholars who pay more than 9 *d.* That is one of the returns given that exceed the percentage that he has laid down.

539. The question is, are those the figures for the school year for which the grant was given which has been disallowed?—If those are the figures that he quotes here, I am not prepared to say that there is an objection to them.

540. That is exactly the point that I was asking you about before, but I understood you then to be of a different opinion?—I understood your question to refer to the general paragraph in the Comptroller and Auditor General's Report on page 369; I say that the objection is to the Lenzie Academy deducting certain fees that they were not entitled to deduct; but these figures on page 376 are the figures after the deduction; they are the figures upon which we knowingly paid the grant; and I contend rightly paid the grant. If there is any further information wanted upon that point, or it is deemed that these are the figures, I hope our Department will have an opportunity of putting it straight. I am quite clear that these figures on page 376 are the figures upon which we knowingly considered ourselves justified in paying the grant. The point on which I said that we admitted a doubt arose which kept us from paying them next year was, that they wrongfully excluded certain fees, and that those figures did not represent the real facts of the case.

541. From paragraph 6 of the Comptroller and Auditor General's Report it seems that, in addition to the ordinary grant in certain cases, such further sum is paid, as will together with the produce of the local rate make up the sum of 7 *s.* 6 *d.* for each child in average attendance at the public school; and it is stated by the Comptroller and Auditor General that whereas the ordinary grant was only paid on 132 children for certain reasons, yet this additional grant was paid on 149; would you kindly explain how that came about?—We do not hold that the 7 *s.* 6 *d.* grant for each child at all follows the grant to the particular school. This is a grant in relief of the rates; and it would be a very serious thing if a deduction from a particular school were to cause a loss to the ratepayers.

542. Here is a school in which there appears to be only proper accommodation for 132 children, and you accordingly refuse to pay the ordinary grant on more than 132; will you kindly explain how you came to give any grant at all on more than 132, if 132 is the proper accommodation?—We pay our grants to our schools under the Code. Under Article

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Chairman—continued.

Article 17 c of the Code the stipulation is that there shall be a certain amount of accommodation for each child; that, as I say, is under the Code, but the grant paid in relief of the rates is not under the Code; nothing is said about it in the Code. It is paid under the higher authority of the Act of Parliament; and the Act of Parliament says that the sum is to be raised to 7 *s.* 6 *d.* for each child in attendance at the public schools. We have no right to limit the grant that Parliament has made by its own Act by the arbitrary rule which we lay down in our Code for limiting the accommodation provided.

543. (To Sir *C. L. Ryan.*) Is that the way in which you read the Act?—First of all I should like to say that I think it would have been better if Mr. Craik had given me that explanation when the payment was challenged. The explanation was not before me at the time, and I should not like to give an off-hand opinion upon the construction of the Act without having an opportunity of looking into it. (Mr. *Craik.*) We did give an answer on the 22nd of November 1890.

544. In that letter you do not seem to have stated distinctly that the payment was in no way

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Chairman—continued.

regulated by the Code; you simply refer to the Act of Parliament?—We refer to the Act of Parliament in the letter. I rather developed the argument in speaking just now; but it is the same argument that is raised in the letter.

545. (To Sir *C. L. Ryan.*) Perhaps you would kindly consider the explanation that has just been given on behalf of the Scotch Education Department?—I will do so.

[Mr. *Henry Craik* withdrew.

The following Accounts were considered:—

Civil Contingencies Fund.
Local Loans Fund.
Woods, Forests, and Land Revenue.
Treasury Chest.
Chelsea Hospital.
Greenwich Hospital.
Consolidated Fund Accounts.
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[The Witnesses withdrew.]

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APPENDIX.

APPENDIX, No. 1.

PAPER handed in by Mr. *Spring-Rice.*

TREASURY MINUTE, dated 7th August 1890, upon the Third Report of the Public Accounts Committee, 1890.

MY Lords have given their attentive consideration to the Third Report of the Committee of Public Accounts, dated 14th May 1890, which deals with the re-arrangement of Votes made in the Civil, Army, and Navy Estimates for 1890–91

They agree with the Committee in holding—

(1.) That whenever there is reason for maintaining Parliamentary control to the extent of requiring that any excess on the money granted by Parliament for any particular object or service should be submitted to the House, provision should be made for that service, as heretofore, in a separate Vote.

(2.) That it is very desirable, from the point of view of Parliament, that there should be great facility for comparing one year's outlay on any head of expenditure with that of other years; and, in consequence, that when a general re-arrangement of Votes is adopted for the purpose of simplifying the Estimates, great care should be taken to keep the contents of old Votes as far as possible intact.

The Committee rightly interpret the Treasury to be unwilling, unless sufficient reason is given, to reduce by amalgamation the number of subheads in a Vote.

My Lords acknowledge the force of the Committee's argument in favour of entrusting, as far as possible, the duty of accounting for Votes to the officers more immediately associated with the administration of the service for which the money is voted.

The moderation of the changes made in the current estimate as compared with larger schemes which have been suggested is recognised by the Committee, and my Lords need only refer to those cases in which the Committee recommend an alteration in the scheme laid before them.

CLASS I. VOTE 3.

1. *Public Buildings, Great Britain.*

My Lords accept the suggestion of the Committee that the provision for the Houses of Parliament should continue to be made in a separate Vote, and that the rest of Vote 3 should follow after the other Votes for Buildings in Great Britain, and should be named "Other Public Buildings, Great Britain."

CLASS 2. VOTE 32.

2. *Lord Lieutenant and Chief Secretary.*

My Lords will retain in distinct Votes the provision to be made (1) for the Lord Lieutenant's Household (2) for the office of the Chief Secretary.

CLASS 3. VOTE 3.

3. *Supreme Court of Judicature and Land Registry.*

My Lords will maintain the Land Registry as a separate Vote, which, however, will be accounted for in future, as in 1890–91, by the Assistant Paymaster General for Supreme Court business.

CLASS 4. VOTE 6.

Learned Societies.

My Lords concur in the suggestion that the Vote should in future be designated "Scientific Investigation, &c. (United Kingdom)."

The recommendations of the Committee which my Lords have thus accepted cannot be completely carried into effect in the present year, the Estimates for which have been already presented, and in part voted. My Lords, however, will instruct the officers who account for the Votes amalgamated with others in the Treasury Scheme, but to be retained as separate Votes in future Estimates, that no excess upon totals of the subheads representing those services will be permitted, and that those groups of subheads are to be treated as practically separate Votes. Thus practical effect will be given to the recommendations of the Committee in the present financial year.

The reduction in the number of Civil Votes, as now approved, suggests the consideration of the present practice of this Department in sanctioning the application of savings upon some subhead of a Vote to meet excesses upon others. This subject is referred to in paragraphs 4 and 5 of the Report now before the Board; and my Lords observe with satisfaction that the Committee recognise the necessity of such transfers being made at the discretion of the Treasury.

ARMY ESTIMATES.

The changes introduced into the arrangement of these Estimates for 1890–91, are as follows:—

1. The combination of the four Votes for Pay, Chaplains, Prisons, and Reserves into a single Vote.
2. The union of the three Votes for Militia, Yeomanry, and Volunteers.
3. The conjunction of Provisions and Clothing in a single Vote.
4. The grouping of the nine Non-effective Votes into three, representing respectively Officers', Soldiers', and Civil Pensions.

The only one of these four changes which the Public Accounts Committee wholly approve is the last mentioned. They recommend that prisons should be separated from the General Pay Vote, as in past years, and that five separate Votes should be taken for—

Militia ;
Yeomanry ;
Volunteers ;
Provisions ; and
Clothing.

My Lords have received a letter from the War Office, dated the 24th ultimo, in which Mr. Secretary Stanhope defends all the changes that have been made in the Army Estimates, except the classification of the Militia as an auxiliary Force.

If their Lordships are not mistaken, however, he is willing to accept the recommendation of the Committee on all points but one, viz., the re-separation of Prisons from the Pay Vote.

My Lords think that there is much force in the argument of the Secretary of State that the Army Prisons Vote differs from that for Navy Prisons in the fact that it consists exclusively of the pay of the prisons staff, and a few other charges akin to such as are already provided for in the Pay Vote, whilst the Navy Prisons Vote comprises the subsistence and clothing of prisoners and other charges which could not be properly placed in the Navy Wages Vote. Accordingly the Army Vote can be converted in its integrity, without any loss of continuity or of facility of comparison with previous years, into a group of subheads in the Army Pay Vote corresponding in character to other groups of subheads already to be found in that Vote. Whilst, on the other hand, the Navy Prisons Vote, if not maintained as a separate Vote, would have to be merged into a variety of other Navy Votes.

On the whole, my Lords think the best course will be to follow the recommendation of the Committee in regard to the Militia, Yeomanry, Volunteers, Provisions, and Clothing Votes, but to retain Army Prisons in the Pay Vote until the Committee have had an opportunity of again considering their recommendation regarding that service, upon the fuller explanation which the War Office will doubtless lay before them.

Navy Estimates.

My Lords are glad to see that the Committee approve of the only changes made in the arrangement of these Estimates for 1890–91, viz. :—

1. The merging of the Divine Service Vote into various others, chiefly Vote 1.
2. The reduction of the Non-effective Votes from five to three.

Let the necessary communications be addressed to the several Departments :—

Write to the First Commissioner of Works.

Sir,

I am directed by the Lords Commissioners of Her Majesty's Treasury to transmit, for your information, copy of paragraphs 12—14 of the Third Report of the Committee of Public Accounts, 1890, relative to the re-arrangement in the Civil Service Estimates for 1890–91 of the Votes under your charge as Accounting Officer.

My Lords have accepted the suggestion of the Committee that the provision for the Houses of Parliament should continue to be made in a separate Vote, and that the rest of Vote 3 should follow after the other Votes for Buildings in Great Britain, and should be named "Other Public Buildings, Great Britain" ; and they request that this arrangement may be followed in preparing the Estimates for 1891–92.

I am,
Sir,
Your obedient Servant,

Write Chief Secretary for Ireland.

Sir,

I am directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you, to be laid before His Excellency the Lord Lieutenant, copy of the 23rd paragraph of the Third Report of the Committee of Public Accounts, 1890, respecting the amalgamation of the Votes for the Lord Lieutenant's Household and the Chief Secretary's Office, under the head of the Vote for "The Lord Lieutenant of Ireland and Chief Secretary" in the Civil Service Estimates for 1890–91.

In view of the remarks of the Committee, my Lords propose to retain in distinct Votes the provision to be made (1) for the Lord Lieutenant's Household, and (2) for the office of the Chief Secretary ; and they request that this arrangement may be followed in the preparation of the Estimates for 1891–92.

I am,
Sir,
Your obedient Servant,

Write Assistant Paymaster-General, Royal Courts of Justice.

Sir,

I am directed by the Lords Commissioners of Her Majesty's Treasury to transmit, for your information, copy of paragraph 25 of the Third Report of the Committee of Public Accounts, 1890, respecting the amalgamation of the Votes for the Supreme Court of Judicature and for the Land Registry respectively in the Civil Service Estimates for 1890–91.

In view of the remarks of the Committee, my Lords will maintain the Land Registry as a separate Vote, but they propose that the Vote should be accounted for by you in future, as in 1890–91.

I am,
Sir,
Your obedient Servant,

Write the Vice-Registrar, Land Registry.

Sir,

I am directed by the Lords Commissioners of Her Majesty's Treasury to transmit, for your information, copy of paragraph 25 of the Third Report of the Committee of Public Accounts, 1890, respecting the amalgamation of the Votes for the Supreme Court of Judicature and for the Land Registry respectively in the Civil Service Estimates for 1890–91.

In view of the remarks of the Committee, my Lords will maintain the Land Registry as a separate Vote ; but they propose that the Vote should be accounted for in future, as in 1890–91, by the Assistant Paymaster General for Supreme Court business.

I am,
Sir,
Your obedient Servant,

Write Under Secretary of State, War Office.

Sir,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you, to be laid before the Secretary of State, copy of paragraphs 34, 35, 36, 38, 39, 40, and 41 of the Third Report of the Committee of Public Accounts, 1890, dealing with the re-arrangement of the Army Estimates for 1890-91, together with a copy of the corresponding portion of the Treasury Minute on the subject of the Committee's Report.

I am,
Sir,
Your obedient Servant,

Write the Secretary to the Admiralty.

Sir,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you, to be laid before the Lords Commissioners of the Admiralty, copy of paragraphs 34 to 37 of the Third Report of the Committee of Public Accounts, 1890, respecting the changes made in the arrangement of the Navy Estimates for 1890-91, viz. :—

1. The merging of the Divine Service Vote into various others, chiefly Vote 1.

2. The reduction of the Non-effective Votes from five to three.

Their Lordships of the Admiralty will share the satisfaction of my Lords that the above changes have been approved by the Committee.

I am,
Sir,
Your obedient Servant,

Write the Comptroller and Auditor-General.

Sir,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to transmit, for your information, copy of the Treasury Minute upon the Third Report of the Committee of Public Accounts, 1890, respecting the re-arrangement of Votes in the Army, Navy, and Civil Estimates for 1890-91.

I am,
Sir,
Your obedient Servant,

APPENDIX, No. 2.

PAPER handed in by Mr. *Spring-Rice*.

TREASURY MINUTE on the Second, Fourth, and Fifth Reports of the Public Accounts Committee, 1890 (so far as relates to Army and Navy Accounts).

10 January 1891.

MY Lords read the Second, Fourth, and Fifth Reports of the Committee of Public Accounts, 1890, upon the Accounts hereinafter referred to, for the year ended 31st March 1889, and direct that the following letters be written thereon :—

I. Write to the Financial Secretary, War Office.

Sir,

THE Lords Commissioners of Her Majesty's Treasury request you to submit to Mr. Secretary Stanhope the enclosed copy of the Second Report of the Public Accounts Committee, 1890, of paragraph 22 of their Fourth Report, and of paragraphs 1 to 14 of their Fifth Report, relating to Army and Ordnance Factory Accounts for 1888-89, together with the following remarks thereon.

SECOND REPORT.

ARMY APPROPRIATION ACCOUNT.

Par. 1. *Payments by India for Home Effective Charges.*

18,876/89. My Lords have received no report from Lord Northbrook's Committee on this subject since that of 22nd July 1889, dealing with the years 1885-86 and 1886-87.

Par. 2. *Indian Non-Effective Charges.*

My Lords would inquire whether the actuarial calculations for 1889-90 have been completed.

Par. 3. *Vote A., Numbers.*

The Secretary of State will observe that the Committee desire the continuance of the comparisons hitherto made by the Comptroller and Auditor General between the estimated and actual numbers of men on the Home and Colonial establishments and serving in India, respectively.

Pars. 4-6. *Monthly Pay Lists.*

The Committee suggest a reconsideration of the question whether only actual payments to the men are to be included in the Appropriation Account, instead of including the full amounts carried to the credit of the men in the pay lists whether paid or not.

3546/89. 6325/90.

The question was discussed before the Public Accounts Committee in 1881, 1882, and 1884, and an opinion of the Law Officers of the Crown was obtained in favour of treating credits to soldiers as actual payments.

Moreover, in 1884, Parliament, sanctioned by Section 14 of 47 & 48 Vict. c. 62, the acceptance of the certificates of the paying officers in lieu of the receipts of the men.

To confine the charge to actual payments would no doubt be more correct, and, therefore, desirable, provided that it be practicable. But my Lords hope that, if the question be re-opened, due regard may be paid to the considerations of convenience which prompted the decision of 1884, as well as to the arguments on the other side.

They would also inquire whether any improvements have been devised in the system of checking the accounts of station paymasters and captains of companies.

3546/89. 4620/89.

The Secretary of State will recollect that, in their letter of 13th April 1889, my Lords asked that a report of the results of the adoption of the system of monthly accounts should be made to this Department so soon as sufficient experience of it has been obtained.

Pars. 7 and 8. *Irregular Payments of Extra Duty Pay.*

1309/90. My Lords agree with the Committee that care should be taken lest an exception, expedient in a particular case, should lead unnecessarily to a general relaxation of rule. The rule now in force regarding the extra pay of an acting garrison sergeant-major will cover such a payment as was made at Natal, but not that made at Sierra Leone, to which the Committee refer.

Pars. 9 and 23. *Effect of Cancellation of Discharge upon Deferred Pay and Pension.*

14,274/90. My Lords are engaged in a correspondence with your Department which they hope will lead to the total abandonment of the practice of cancellation. They are, however, proposing a general inquiry into the non-effective charges of the Army and Navy, and meanwhile do not think it expedient to alter existing rules regarding the reckoning of a soldier's service under a prior attestation for deferred pay, good conduct pay, and pension.

Pars. 10 and 11. *Manufacture by Ordnance Store Artificers.*

The Secretary of State will no doubt agree with the Committee in the reference which they make, under this head, to the importance of avoiding delay in answering the queries of the Comptroller and Auditor General.

My Lords presume that steps are being taken to keep Manufacturing Accounts whenever artificers are employed on processes of manufacture.

Par. 12. *Supply of Medicines.*

It will be observed that, while suggesting consideration of the different practice of the Navy and certain Civil Departments, the Committee do not commit themselves to recommending any alteration of the present system of obtaining such supplies for the Army.

Par. 14. *Irregular Payment for Coastwise Freight of Stores.*

Out of the total payment of 27 *l.* 2 *s.* the contractors have repaid 10 *l.* 16 *s.* 9 *d.* The remainder, 16 *l.* 5 *s.* 3 *d.*, had been paid by them to the captain of the vessel, who was no longer in their employment, and under these circumstances my Lords consented, by their letter of 19th July last, to the balance being written off as irrecoverable. 10,764/90.

Pars. 15 and 16. *Form of Estimate for Vote* 12, *Warlike Stores.*

The estimate for Vote 12, 1888–89, cannot be fairly compared with that for 1887–88, unless due regard be had to the very different areas covered by the Votes of the two years. The Vote for 1887–88 provided for sea as well as land armaments, and for the personnel of all the Manufacturing Departments, as well as for the matériel to be worked into stores, and for the completed stores procured from the trade. But Army Vote 12 of 1888–89 provided for the completed land armaments and warlike stores only which the War Department intended to buy, in the year, for their own use, from the Ordnance Factories or from the trade, and for their inspection. The armaments and warlike stores for the Navy were provided for in Navy Votes for 1888–89, and the Manufacturing Departments, and the matériel to be used in them were provided for in the Ordnance Factories Vote for 1888–89. The number of subheads (27) in the single Vote for 1887–88 should therefore be compared with that of the subheads in the three Votes for 1888–89, viz., 21, which have since been increased to 27. But, although the numbers are now the same, the nature of the subheads was much more varied in 1887–88.

The description given by the Committee of the effect of transferring a subdivision of expenditure from Part II. to Part III. of the Estimate is, on the whole, accurate, but it does not bring out the fact that the conditions governing both parts are entirely matters of arrangement between the Treasury and the Accounting Department, under the powers given by Section 23 of the Exchequer and Audit Departments Act.

The subheads of Part II. represent the heads of account under which, by Treasury direction, the Accounting Department will account for its expenditure in the Appropriation Account, and therefore of necessity in its own ledgers. But the subheads are far from being the only heads of account which the Treasury requires the Accounting Department to keep in its ledgers. They are the normal heads, and the Accounting Department can never keep less, and ought not to exceed the provision for each without Treasury sanction, and is obliged to explain the saving or deficit on each in the Appropriation Account. The Treasury, however, can and does require an Accounting Department to keep a record of expenditure, in many cases, under items in Part III., and often requires that its sanction should be obtained for excesses on such items, notably in the cases of the Army and Navy Works Votes, the Civil Works Votes, and in regard to items of personal remuneration generally. Further, the Treasury requires, in various cases, that Appendices should be added to the Appropriation Account, showing the actual provision and expenditure under items in Part III.

Provided that the details of Part III. of the estimate of warlike stores continue to be verified by the Comptroller and Auditor General, my Lords understand that the Committee consider it to be unnecessary to increase the present number of the subheads of the Estimate.

The Secretary of State will, no doubt, adopt the suggestion of the Committee that the vertical columns, headed "Equipment and Reserves," "Annual Maintenance," and "Repayment Services," should be in future omitted from Part III. 9319/88.

Par. 17. *Advance for Gunpowder.*

My Lords agree with the Committee that an advance to a contractor on account of stores supplied, but not proved, ought not to be brought to charge as a final payment until the stores have been proved and passed.

FOURTH REPORT.

Par. 22. *Apportionment of Stores between Army and Navy.*

The Secretary of State will not omit to observe the opinion of the Committee, in which my Lords concur, that Naval Officers should be associated with Army Officers when warlike stores have to be apportioned between the two Services.

FIFTH REPORT.

Ordnance Factories Vote Appropriation Account.

Par. 1. *Principle of the Vote.*

The Committee state that the principle is that, with the exception of a small sum representing capital charges, the entire cost of the Factories is to be borne by the Departments and Governments which avail themselves of their services.

It is perhaps worth while pointing out that the customers of the Factories are required, in the long run, to repay current capital outlay, either directly or by a percentage, as much as the current cost of maintenance and manufacture. A Vote is necessary, when the full capital outlay cannot be covered by repayments within the year in which it is incurred; and, in any case, it is the most convenient method of obtaining Parliamentary sanction for the yearly transactions of the Factories.

Pars. 2 and 3. *Period of taking the Vote.*

The Committee recommend that the Ordnance Factories Vote should be taken at the beginning of the year, at the same time as the Army Numbers and Pay Votes. My Lords hope that this desirable arrangement may prove feasible.

Par. 4. *Deduction from Value of Army Productions in respect of Stores available.*

This deduction was made in the Estimate of Appropriations in Aid under a misapprehension, and therefore was not made from the actual recoveries from Army Votes. My Lords agree with the Committee that the circumstances should have been explained on the face of the account.

Par. 5. *Credit for Sale of Stores.*

The Committee are no doubt correct in saying that no more than the sum actually realised by sale should be credited to the Vote; but my Lords would inquire whether any recommendation as to the mode of charging stores transferred from the Factories to the Commissary-General of Ordnance for sale, has yet been made by the Departmental Committee referred to in this paragraph.

Par. 6. *Deficit on the Account.*

My Lords agree that, when the errors alluded to by the Committee are corrected, the account shows a net deficit of 60,547 *l.* 1 *s.* 1 *d.* instead of a surplus of 18,036 *l.* 14 *s.* 9 *d.*

This deficit represents outlay by the Factories in 1888-89 which had not been recovered from customers at the date of closing the account. It should remain as a charge against the accounting officer until recovered, and no Excess Vote need be taken for it. If, as my Lords desire, all customers are required to make adequate advances on account of their orders, no such deficit ought to recur. 20,588/88.

ORDNANCE FACTORIES ACCOUNTS.

Par. 7. *Treasury Approval of Form.*

16,926/90. The Committee point out that no such approval has yet been given as seems to be required by the Army and Navy Audit Act, 1889, and the subject has now been brought before this Department by Mr. Knox's letter of the 23rd December 1890.

(52 & 53 Vict. c. 31.) My Lords would observe that various amendments are under consideration, and that only experience can prove what is the best form to adopt. Meanwhile they approve of the present use of the form as it stands.

Par. 8. *Allocation of Wages and Materials to Orders.*

(Par. 5.) The Departmental Committee previously referred to has been considering the mode of checking this allocation, and my Lords would be glad to learn the result. They are glad to observe that no measures involving additional expense seem to be contemplated.

Par. 9. *Division of large Items of Indirect Expenditure.*

My Lords would inquire what steps have been taken in this direction.

Par. 10. *Depreciation of Buildings and Machinery.*

10,501/90. Questions regarding the mode of calculating charges under this head, and their connection with a provision for prospective replacement and renewal, and with charges for improvements and additions, are still under consideration between the War Department and the Treasury.

Par. 11. *Comparison of Cost Results.*

It seems to my Lords highly desirable to obtain the means of a fair comparison between the cost of producing articles in the Factories and that of purchasing them from the trade. With this view they suggest that interest on capital outlay should be a factor in the price of supplies.

In this connection, my Lords would inquire what rules now govern the allocation of charges between capital and production.

Par. 12. *Transfers, Semi-manufactures, and Production Ledgers.*

My Lords would inquire whether the Departmental Committee referred to in this paragraph has yet reported on these matters.

ARMY CLOTHING FACTORY ACCOUNTS.

The remarks made by my Lords on the form of the Ordnance Factory Accounts apply equally to that of the Clothing Factory Accounts.

They approve of the use of the present form pending the consideration of amendments.

II. Write to the Secretary to the Admiralty.

Sir,

THE Lords Commissioners of Her Majesty's Treasury direct me to transmit to you herewith, for the consideration of the Lords Commissioners of the Admiralty, a copy of the Fourth Report, and of paragraphs 15 to 32 of the Fifth Report of the Public Accounts Committee, 1890, relating to Navy Accounts for 1888-89, together with the following remarks thereon.

FOURTH REPORT.

NAVY APPROPRIATION ACCOUNT.

Par. 1. *Payments in apparent excess of the Queen's Regulations.*

The first case referred to by the Committee is that of the payment of a flagship allowance to a paymaster on board a ship not bearing the flag of a commander-in-chief or of a commander of an important squadron. My Lords would inquire whether the Board of Admiralty contemplate any modification of the regulations on this subject.

22,187/96. The second case is that of travelling expenses being allowed to an officer appointed from a foreign station to a shore post at home, although the increase of his emoluments amounted to 100 *l.* per annum and upwards. By their letter of the 27th August last, my Lords have sanctioned amended regulations on this subject.

Pars. 2-4. *Distribution of Payments to Contractors throughout the Year.*

The Committee again call attention to the practice of crowding such payments, to contractors for propelling machinery especially, into the last month of the year.

My Lords hope that due regard may be paid to the wishes of the Committee on this point, and that a determined effort may be made to distribute the payments more evenly in future.

Pars. 5-9. *Discretionary Advances to Contractors.*

The remarks made by the Committee on this important subject are the result of very careful deliberation. There is, my Lords believe, no practical difference of opinion between the Committee, the Admiralty, and the Treasury, as to the conditions which ought to govern discretionary advances, if they are made; and as these conditions are clearly stated in the Report, my Lords do not think it necessary to refer further to them. But the Committee doubt the necessity or expedience of making such advances at all, and recommend that the Treasury and Admiralty should consider whether they may not be avoided, in great measure, if not wholly, by adopting forms of contract which will provide for payment by frequent instalments for defined portions of completed work. My Lords will readily join in the suggested inquiry in which it is, perhaps, advisable that the War Department should be invited to take part; and they hope that before the end of the year some definite steps may have been taken towards accomplishing the end desired by the Committee.

Their Lordships would also call the special attention of the Board of Admiralty to the injunction of the Committee that interest should be charged on all advances not provided for by contract, and which the contractor cannot have expected to receive.

Pars. 10-16. *Admiralty Responsibility for Naval Armaments.*

21,720/90. My Lords have received two Reports from Mr. Forwood's Committee on Naval Warlike Stores, dealing with the questions raised by the Chancellor of the Exchequer, in the communication printed in paragraph 14. The recommendations of this Committee are still the subject of correspondence between this Department, the Admiralty, and War Office, but Her Majesty's Government has decided to adopt the chief of them, viz., the transfer to the Admiralty of the custody of all Naval Warlike Stores at the principal Home Stations. My Lords trust that this measure will enable the Admiralty to effectively discharge the duty imposed upon them by the Exchequer and Audit Departments Act in connection with the Naval Armaments Vote.

Par. 17. *New Form of Contract for Guns.*

My Lords would inquire whether this has yet been finally determined upon.

NAVY STORE ACCOUNTS.

Pars. 18 and 20. *Comparison between Quantities and Values.*

My Lords request to be informed whether any and what measures have yet been brought into operation for periodically and systematically checking the quantities shown in the storekeepers' ledgers, by means of the quantities represented by the values recorded in the Stock Valuation Accounts.

Par. 21. *Writing off Losses of Stores.*

The Admiralty letter to the Treasury of 4th June 1889 on this subject is dealt with in my Lord's reply of 12th November 1890. 9878/89.

Par. 22. *Apportionment of Stores between Army and Navy.*

My Lords have informed the War Department that they agree with the Committee that Navy should be associated with Army officers in determining such an apportionment.

Par. 23. *Demands from Foreign Yards.*

The Committee recommend that these demands should be subjected to more systematic examination, with a view to prevent undue accumulations of stock. My Lords would be glad to learn that steps are being taken for this purpose.

Par. 25. *Issues of Cloth to Contractors.*

My Lords would inquire whether the Committee on the Uniform of Seamen has yet reported, and whether any measures are being introduced for insuring greater accuracy and economy in the issues of cloth.

Par. 28. *Observatories Stores Accounts.*

Their Lordships hope that such accounts are being kept, and will be rendered to the Comptroller and Auditor General.

FIFTH REPORT.

DOCKYARD EXPENSE AND MANUFACTURING ACCOUNTS.

Par. 18. *Steam Reserve Labour not charged to Ships, &c.*

My Lords would ask whether any conclusion has been arrived at on the questions raised by the Comptroller and Auditor General on this subject.

Par. 19. *Issues of Stores to Captain of Steam Reserve.*

They hope that a scheme of accounts for these stores has now been prepared.

Par. 20. *Stores returned from Ships.*

My Lords would be glad to learn what amendments of practice are proposed in regard to the re-valuing of stores, and the mode of charging depreciation.

Par. 21. *Foreign Yard Accounts.*

The Board of Admiralty will doubtless communicate to my Lords the result of the inquiry which is being conducted into these accounts.

Par. 24. *Valuation of Lands, Buildings, and Machinery.*

My Lords are disposed to doubt whether Officers of the Admiralty could make a valuation that would be sufficiently trustworthy to repay the trouble and cost of making it.

VICTUALLING YARD ACCOUNTS.

Par. 26. *As to preparing Expense Accounts.*

My Lords request that they may be informed of the views of the Board of Admiralty on the suggestion that these accounts should not be confined to expenditure on the conversion of raw materials into manufactures, but be extended to the application of the whole expenditure out of the Victualling Vote :—that, in short, they should be *Expense* as well as *Manufacturing* Accounts.

My Lords will not press for any extension that would cause serious additional cost, but they would ask whether a "summarised balance sheet," covering the whole expenditure, such as the Comptroller and Auditor General refers to in paragraph 5 of his Report on these accounts, could not be prepared without this result.

Pars. 27 and 28. *Cooperage Balance Sheets.*

My Lords would inquire what steps are proposed for remedying the defects in these sheets, and whether the Admiralty are in favour of including the cost of repairs in them, or of recording it in a separate account.

IMPERIAL DEFENCE ACT, 1888 (NAVAL SECTION), AUSTRALASIAN AGREEMENT.

My Lords understand that the Colonial Office are addressing a communication to the Government of Queensland on the subject of this Agreement.

I am, &c.

III. Write to the Comptroller and Auditor General.

Sir,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you, for your information, the enclosed copy of their Minute of to-day's date upon so much of the Second, Fourth, and Fifth Reports of the Public Accounts Committee of 1890 as relates to Naval and Military Accounts for 1888–89.

I am, &c.

APPENDIX, No. 3.

PAPER handed in by Mr. *Spring-Rice*.

PUBLIC ACCOUNTS COMMITTEE, 1890.

TREASURY MINUTE on First and Fifth Reports, so far as relates to Civil Accounts.

16,338, 1890. Treasury Chambers, Whitehall, 14 January 1891.

MY LORDS read the First and Fifth Reports of the Committee of Public Accounts for 1890.

CLASS I.—VOTE 3.—ROYAL PARKS AND PLEASURE GARDENS.

Q. 2351–2376. 1. The Committee took evidence respecting the defalcations of Mr. Brook, late a clerk in the Office of Works, but make no reference to the subject in their Report. My Lords have accordingly, by separate minute, given directions for charging the amount of the defalcations against the grants of 1889–90.

VOTE 9.—REVENUE DEPARTMENT BUILDINGS.

Q. 2378–2399. Fifth Report, paragraph 34. 2. My Lords infer from Mr. Primrose's evidence that a technical breach of Section 24 of the Exchequer and Audit Act is admitted by the accounting officer. This error arose from the application of a system of adjustment between Post Office and Telegraph building accounts, unobjectionable as a general rule, to a case where the actual figures did not admit of such adjustment, *i.e.*, where the amount chargeable to either of the two heads in the final year of expenditure on a work happened to be less than that which should have been transferred from that head to the other, in order to represent correctly the appropriation of the building to the two services. The Committee, inferring that the division of expenditure between the sub-heads for Post Office buildings and those for Telegraph buildings is of an arbitrary nature, recommend that the Treasury should consider whether the corresponding sub-heads for Post Office and for Telegraph buildings should be amalgamated.

With reference to this recommendation their Lordships submit, in the first place, that the division of expenditure between the two services is by no means so "arbitrary" as the Committee were led to suppose. In 22,398, 1880. 1880 a scheme was agreed to for apportioning the cost of land and building in joint occupation, whereby the apportionment is based on measurement of the floor space occupied by the two departments, allowance being made for the relative position of such space in the building, and each department is debited with the actual cost of fittings and fixtures. This scheme superseded previous arrangements, and was the outcome of much consideration and correspondence.

20,365, 1886. In 1887 it was decided that, for a period of 10 years, three-quarters of the cost of maintenance of buildings should be charged to Postal account and one-fourth to Telegraph account; but this proportion was based on careful estimates by the Board of Works, and my Lords only agreed to it on the understanding that in the tenth year the exact charge under each of these heads should be accurately ascertained and reported.

In the second place, the question of apportionment of expenditure between the two services has been often referred to by the Public Accounts Committee, as well as by the Comptroller and Auditor General and by this Board: see especially—

Report of 1874, paragraphs 93, 94.
Second Report of 1879, paragraphs 40, 41.
Second Report of 1881, paragraph 46.

For the purposes of statutory and other returns relating to the Telegraphs, it is necessary that as accurate an account as possible should be kept of all expenditure chargeable to that service; and though this does not necessarily involve the maintenance of separate sub-heads for Telegraph buildings, it suggests a reason for not abolishing such sub-heads, after 15 years' existence, except upon strong grounds.

Thirdly, if the separate building sub-heads for Post Office and Telegraphs be combined, those for sites can hardly be kept separate; but this suggestion raises the whole question of the continuance of a separate Telegraph Vote, the provision for Telegraph sites now forming Sub-head N. of that Vote, and that for Post Office sites forming Sub-head H. of the general Post Office Vote.

Fourthly, the principle thus introduced would apply to other cases besides Post Office and Telegraph buildings, as there are not a few instances where a building erected by the Office of Works is occupied by more than one public department, and the cost consequently apportioned between different sub-heads, and even different Votes.

Finally, my Lords may advert to the opinion expressed by the Committee itself, in the Third Report for 1890 (paragraph 5, *ad fin.*), that "the Treasury will properly be unwilling, unless sufficient reason is shown, to approve the proposal of a department to reduce by amalgamation the number of sub-heads in a Vote."

For these reasons, my Lords suggest that the difficulty of correct record which has arisen in a particular case is not sufficiently serious to justify the suggested amalgamation of sub-heads, but that in such cases a note should be appended to the Appropriation Account stating the adjustment which would have been made between the two services, had the amount of expenditure in the year admitted of such adjustment. The totals of the sub-heads should be corrected accordingly in the Comptroller and Auditor General's statements of gross and net cost of services and in other statistical records.

Vote 13.—SURVEYS OF THE UNITED KINGDOM.

3. The Committee appear to have been satisfied with the explanations given in regard to the exceptional purchase of stores in March 1889, upon which the Comptroller and Auditor General had commented. The question of writing off lost survey stores has been separately dealt with. Q. 2400–2413. 10,963, 1890.

4. Write to the First Commissioner of Works.

Sir,

I am directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you herewith, for your information and guidance, a copy of paragraph 34 of the Fifth Report of the Committee of Public Accounts, 1890, together with copies of paragraphs 1, 2, and 3, of their Lordships' Minute thereon.

I am, Sir,
Your obedient Servant,

Vote 25.—PUBLIC BUILDINGS, IRELAND.

5. Write to the Commissioners of Public Works, Ireland. Q. 2422–2426.

Gentlemen,

In transmitting to you herewith a copy of paragraph 35 of the Fifth Report of the Public Accounts Committee, 1890, I am directed by the Lords Commissioners of Her Majesty's Treasury to record that it appears from Mr. Soady's letter of 24th November that the charge in question, the irregularity of which is not disputed, has been adjusted as follows:— 16,957, 1890.

	£.
Transferred to Vote for 1889–90 - - - - - - - - - - - -	516
„ to Greystones Pier Account, or returned to the Contractor -	88
	£. 604

It will be your duty to surrender the total amount, 604 *l.*, by a write-off from the Exchequer Grant for 1889–90.

I am, Sir,
Your obedient Servant,

Let the sum of 604 *l.* be written off accordingly from the Grant for Public Works and Buildings, Ireland, 1889–90.

Class II.—Vote 8.—BOARD OF TRADE.

6. Write to the Secretary, Board of Trade. Q. 2431–2433.

Sir,

I am directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you herewith, to be laid before the Board of Trade, a copy of paragraph 36 of the Fifth Report of the Public Accounts Committee, 1890, relating to the Account of the Board of Trade Vote, 1888–89.

I am, Sir,
Your obedient Servant,

Vote 14.—LAND COMMISSIONERS FOR ENGLAND.

7. Write to the Secretary, Board of Agriculture. Q. 2456–2458.

Sir,

I am directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you the accompanying copy of paragraph 37 of the Fifth Report of the Public Accounts Committee, 1890, relating to the account of the late Land Commissioners for 1888–89. I am to request you to move the Board of Agriculture to cause my Lords to be informed what may be regarded as the normal amount outstanding on account of "expenses repayable" under the services in question. They believe that on 30th June last the amount outstanding was 3,460 *l.*

I am, Sir,
Your obedient Servant,

Vote 15.—LOCAL GOVERNMENT BOARD.

8. Write to the Secretary, Local Government Board. Q. 2437.

Sir,

I am directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you herewith, to be laid before the Local Government Board, a copy of paragraph 38 of the Fifth Report of the Public Accounts Committee, 1890.

I am, Sir,
Your obedient Servant,

Vote 27.—MERCANTILE MARINE FUND.

9. Write to the Secretary, Board of Trade. Q. 2459–2504.

Sir,

I am directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you herewith, to be laid before the Board of Trade, a copy of paragraphs 39 to 42 of the Fifth Report of the Public Accounts Committee, 1890, referring to the Accounts for 1888–89 of the Mercantile Marine Fund.

My Lords have some reason to hope that the improved condition of that fund, referred to in Mr. Stoneham's evidence before the Committee, has been secured and maintained. Investment of 40,000 *l.*—12,965.

With regard to the Report of the Departmental Committee on the Fund, the latest information in the possession of their Lordships is that they have agreed that the Report should be communicated by the Board of Trade to the general lighthouse authorities. 10,671, 1890.

The new form of account proposed by their Lordships has been communicated to you and to the Comptroller and Auditor General.

My Lords are glad to note the satisfactory settlement of the question as to the rents of disused lighthouses referred to in paragraph 42 of the Report.

My Lords presume that the Committee were satisfied by the explanations given by Mr. Stoneham upon other points raised by the Comptroller and Auditor General, but not referred to in the Report.

I am, Sir,
Your obedient Servant,

VOTE 39.—PUBLIC WORKS OFFICE, IRELAND.

Q. 2505–2524.

10. WRITE TO THE COMMISSIONERS OF PUBLIC WORKS, IRELAND.

Gentlemen,

IN transmitting to you herewith a copy of paragraph 43 of the Fifth Report of the Public Accounts Committee, 1890, I am directed by the Lords Commissioners of Her Majesty's Treasury to state that, in their opinion, the error committed in the case of the loan to the Cork and Muskerry Light Railway was one of form rather than of substance.

I am, Gentlemen,
Your obedient Servant,

Q. 2528–2530.

CLASS III.—VOTE 2.—SUPREME COURT OF JUDICATURE.

15,477.

11. MY Lords have, by letter of 29th October, recalled the attention of the Lord Chancellor to the subject of the travelling and subsistence allowances to the visitors of lunatics.

VOTE 5.—COUNTY COURTS.

First Report. Q. 1–33.

12. WRITE TO THE SUPERINTENDENT OF COUNTY COURTS.

Sir,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you herewith a copy of paragraph 6 of the First Report of the Public Accounts Committee, 1890, and to express the hope that, by improved methods of dealing with the accounts received from the courts, it will be possible in future to avoid the recurrence of an excess upon the Vote for which you account. The excess of 8,031 *l.* 12 *s.* 3 *d.* has been duly voted by the House of Commons.

I am, Sir,
Your obedient Servant,

VOTE 6.—LAND REGISTRY.

First Report. Q. 34, 35.

13. The excess of 20 *l.* 14 *s.* upon this service has been duly voted by the House of Commons.

VOTE 12.—PRISONS, ENGLAND AND THE COLONIES.

Fifth Report. Q. 2530–2537.

14. WRITE TO THE UNDER SECRETARY OF STATE, HOME OFFICE.

Sir,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you herewith, to be laid before the Secretary of State, the enclosed copy of paragraph 45 of the Fifth Report of the Public Accounts Committee, 1890, relating to the Vote for Prisons, England.

I am, Sir,
Your obedient Servant,

VOTE 27.—IRISH LAND COMMISSION.

Q. 2547–2551.

15. WRITE TO THE IRISH LAND COMMISSIONERS.

My Lord and Gentlemen,

IN transmitting to you the enclosed copy of paragraph 46 of the Fifth Report of the Public Accounts Committee, 1890, I am directed by the Lords Commissioners of Her Majesty's Treasury to express the hope that your efforts to avoid delays in connection with your accounts will prove successful.

I am,
My Lord and Gentlemen,
Your obedient Servant,

VOTE 30.—CONSTABULARY OF IRELAND.

Q. 2552–2554.

16. WRITE TO THE CHIEF SECRETARY.

Sir,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you herewith, to be laid before his Excellency the Lord Lieutentant, copy of paragraph 47 of the Fifth Report of the Public Accounts Committee, 1890, referring to the question whether members of the Royal Irish Constabulary can be legally employed in *quasi* permanent duty out of Ireland.

16,289, 1890.

With reference to this question, my Lords learn from Sir William Kaye's letter (16,863) of the 7th instant, that His Excellency, having taken the opinion of the law officers of the Crown in Ireland as recommended by the Committee, has been advised that men so employed outside Ireland in connexion with crimes committed in Ireland are acting in discharge of their duty. My Lords submit that this opinion may be considered to have disposed of the doubts entertained by the Comptroller and Auditor General.

I am, Sir,
Your obedient Servant,

CLASS IV.—VOTE 1.—PUBLIC EDUCATION, ENGLAND AND WALES.

Q. 2555–2576.

17. WRITE TO THE SECRETARY, EDUCATION DEPARTMENT.

Sir,

I AM directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you herewith a copy of paragraph 48 of the Fifth Report of the Public Accounts Committee, 1890; and I am to request you to inform the Lords of the Committee of Privy Council for Education, that my Lords hope that the recommendation of the Parliamentary Committee, as to the mode of ascertaining the population in small school districts, will be carried into effect.

53 & 54 Vict. c. 22.

I am to observe that this subject has assumed increased importance in consequence of the extension to 500 of the superior limit of population of such districts, pursuant to the Education Code (1890) Act, 1890.

There is an admitted disallowance of 10 *l.* upon this account, which must be adjusted by a write-off from the Exchequer Grant, 1890–91.

I am, Sir,
Your obedient Servant,

Let the necessary surrender be made.

Vote 3.—SCIENCE AND ART DEPARTMENT.

18. Write to the Secretary, Science and Art Department. Q. 2577-2590.

Sir,

I am directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you herewith copies of paragraphs 49 and 50 of the Fifth Report of the Public Accounts Committee, 1890.

The Lords of the Committee of Privy Council for Education will observe that the Parliamentary Committee agree with the view taken by your Department that payments by the Intermediate Education Commissioners, Ireland, out of the Irish Church Surplus, should be treated in the same way as an endowment.

I am, Sir,
Your obedient Servant,

Vote 10.—EDUCATION, SCOTLAND.

19. Write to the Secretary, Scotch Education Department. Q. 2593-2609.

Sir,

I am directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you herewith a copy of paragraph 51 of the Fifth Report of the Public Accounts Committee, 1890, and I am to request you to inform the Lords of the Committee of Privy Council for Education in Scotland that my Lords now give their formal authority for the charge to your Vote of the amount (40 *l.* 6 *s.* 2 *d.*) disallowed in respect of payments made to Mr. Todd in violation of the conditions laid down by this Board. This amount should be charged to the Vote for the current year, the Account of that for 1889-90 being presumably closed, provided that no excess be thereby caused upon the total of the grant.

This decision involves no adjustment of accounts, but the admitted disallowance of 18 *l.* 16 *s.* 9 *d.* must be surrendered by a write-off from the Exchequer Grant, 1890-91; and the irrecoverable amount of 1 *l.* 16 *s.* may remain charged to the Vote.

I am, Sir,
Your obedient Servant,

Let the necessary surrender be made.

Class V.—Vote 1.—DIPLOMATIC SERVICES.

20. Write to the Under Secretary of State, Foreign Office. Q. 2610-2619.

Diplomatic Services.

Sir,

I am directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you herewith, to be laid before the Secretary of State, a copy of paragraph 52 of the Fifth Report of the Public Accounts Committee, 1890, respecting the financial arrangements made in connection with the repairs of the Legation House at the Hague.

Consular Services. Q. 2620-2631.

With reference to the defalcations at Buenos Ayres, my Lords may record that since the date when Sir Francis Alston gave his evidence, they have concurred in a new regulation proposed by the Marquis of Salisbury, under which a consular officer who has recommended as his substitute while on leave any person not in the regular Consular Service, is held responsible for any loss of public money that may occur while his substitute is acting for him. 9700, 1890.

I am, Sir,
Your obedient Servant,

Vote 6.—SOUTH AFRICA AND ST. HELENA.

21. Write to the Under Secretary of State, Colonial Office. Q. 2636, 2637.

Sir,

In transmitting to you herewith, to be laid before the Secretary of State for the Colonies, a copy of paragraphs 53 and 54 of the Fifth Report of the Public Accounts Committee, 1890, I am directed by the Lords Commissioners of Her Majesty's Treasury to record that an arrangement has been made under which the Comptroller and Auditor General will be locally represented in Bechuanaland by an officer of this Department, whose extra expense will be borne by colonial funds. 10,957, 1890.

I am, Sir,
Your obedient Servant,

Class VI.—SUPERANNUATION AND RETIRED ALLOWANCES.

21. Let paragraphs 55 to 61 of the Fifth Report, together with the evidence relating to the account of the Superannuation Vote for 1888-89, be read and noted in the Superannuation Department. The Minutes creating the Compassionate Fund have already been communicated to the Comptroller and Auditor General. Q. 2639-2801. 10,232, 1890.

REVENUE DEPARTMENTS—CUSTOMS.

22.—Write to the Commissioners of Customs. Q. 2802-2825.

Gentlemen,

I am directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you herewith, for your information, a copy of paragraph 62 of the Fifth Report of the Public Accounts Committee, 1890, which calls for no observations from this Board.

I am, Gentlemen,
Your obedient Servant,

INLAND REVENUE.

23. Write to the Commissioners of Inland Revenue.

Q. 2826, 2847.

My Lord and Gentlemen,

In transmitting to you the enclosed copy of paragraph 63 of the Fifth Report of the Public Accounts Committee, 1890, I am directed by the Lords Commissioners of Her Majesty's Treasury to say that they think you should reconsider, as suggested by the Committee, the system of refunding over-payments in Scotland under Schedule A. of the Income Tax.

I am,
My Lord and Gentlemen,
Your obedient Servant,

POST OFFICE.

24. Write to the Postmaster General.

Sir,

I am directed by the Lords Commissioners of Her Majesty's Treasury to call your attention to Questions 2848 to 2874 of the evidence before the Public Accounts Committee, 1890, and I am to ask whether you have any proposal to make with a view to so altering the sub-heads of your Votes referring to losses by fraud, &c., as to remove the misapprehensions which appear to have arisen in regard to them.

I am, Sir,
Your obedient Servant,

25. Write to the Comptroller and Auditor General.

Sir,

I am directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you, for your information, a copy of their Lordships' Minute upon the Reports of the Public Accounts Committee, 1890, upon the Civil Accounts for 1888–89.

I am, Sir,
Your obedient Servant,

APPENDIX, No. 4.

PAPER handed in by Mr. *Spring-Rice*.

1888–89.

COMPARISON OF EXCHEQUER ISSUES WITH AUDITED EXPENDITURE

AND

GENERAL ABSTRACT OF APPROPRIATION ACCOUNTS

(After audit by the Comptroller and Auditor General, and review by the Public Accounts Committee of the House of Commons).

Treasury,
18 February 1891.

COMPARISON OF EXCHEQUER ISSUES IN 1888–89 WITH AUDITED EXPENDITURE FOR THAT YEAR.

	Exchequer Issues.	Audited Expenditure.	Exchequer Issues. More than Audited Expenditure.	Exchequer Issues. Less than Audited Expenditure.
	£. s. d.	£. s. d.	£. s. d.	£. s. d.
Consolidated Fund Services -	29,864,538 4 9	29,864,538 4 9	—	—
Army (including Army Purchase Commission) - - - - -	15,919,737 17 1	16,553,555 19 2	- -	633,818 2 1
Army (Ordnance Factories) -	38,000 - -	98,547 1 1	- -	60,547 1 1
Navy - - - - - - -	12,999,895 1 6	12,934,641 5 4	65,253 16 2	—
	28,957,632 18 7	29,586,744 5 7	65,253 16 2	694,365 3 2
Civil Services - - - - -	17,872,985 19 10	17,828,057 2 11	44,928 16 11	—
Revenue Departments, &c. - -	10,988,673 1 2	10,918,365 6 9	70,307 14 5	—
Total - - - £.	87,683,830 4 4	88,197,705 - -	180,490 7 6	694,365 3 2
				180,490 7 6
The Exchequer Issues were less than the Audited Expenditure by - - £.				513,874 15 8

1888–89.

GENERAL ABSTRACT OF APPROPRIATION ACCOUNTS

(After audit by the Comptroller and Auditor General, and review by the Public Accounts Committee of the House of Commons).

Service.	Grant.	Expenditure.	Expenditure. Less than Grant.	Expenditure. More than Grant.	Appropriations in Aid Realized. More than Estimate.	Appropriations in Aid Realized. Less than Estimate.
	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
Army (including Army Purchase Commission)	16,700,300 – –	16,553,555 19 2	146,744 – 10	—	67,638 10 10	—
Army (Ordnance Factories)	38,000 – –	98,547 1 1	– –	*60,547 1 1	—	285,087 12 3
Navy	13,127,800 – –	12,934,641 5 4	193,158 14 8	—	—	20,300 17 3
Total, Naval and Military Services £.	29,866,100 – –	29,586,744 5 7	339,902 15 6	60,547 1 1	67,638 10 10	305,288 9 6
Civil Services:						
Class I.	1,430,138 – –	1,346,914 – 9	83,223 19 3	—	—	—
„ II.	2,448,060 – –	2,388,046 12 9	60,013 7 3	—	—	—
„ III.	6,431,795 – –	6,290,134 18 1	149,712 8 2	8,052 6 3	—	—
„ IV.	5,766,273 – –	5,717,965 – 7	48,307 19 5	—	—	—
„ V.	675,678 – –	648,025 – 4	27,652 19 8	—	—	—
„ VI.	1,276,278 – –	1,267,173 1 –	9,104 19 –	—	—	—
„ VII.	138,422 – –	130,032 12 9	8,389 7 3	—	—	—
Egyptian Accounts Adjustment	39,766 – –	39,765 16 8	– 3 4	—	—	—
Total, Civil Services £.	18,206,410 – –	17,828,057 2 11	386,405 3 4	8,052 6 3	—	—
Revenue Departments:						
Customs	937,920 – –	921,858 5 10	16,061 14 2	—	—	—
Inland Revenue	1,807,629 – –	1,769,978 15 2	37,650 4 10	—	—	—
Post Office	5,666,666 – –	5,620,317 11 4	46,348 8 8	—	—	—
Post Office Telegraph Service	2,036,836 – –	1,969,323 10 11	67,512 9 1	—	—	—
Post Office Packet Service	641,500 – –	636,887 3 6	4,612 16 6	—	—	—
Total, Revenue Departments £.	11,090,551 – –	10,918,365 6 9	172,185 13 3	—	—	—
Total for Voted Services £.	59,163,061 – –	58,333,166 15 3	898,493 12 1	68,599 7 4	—	—

For Details, *see* pages 3 to 7.

Consolidated Fund:	Estimated Expenditure.		Less than Estimate.	More than Estimate.		
	£. s. d.	£. s. d.	£. s. d.	£. s. d.		
Permanent Charge of Debt	26,000,000 – –	26,000,000 – –	—	—	—	—
Interest, &c., not forming part of the Permanent Charge	214,000 – –	224,593 15 –	—	10,593 15 –	—	—
Other Charges on the Consolidated Fund	1,647,000 – –	1,629,986 11 5	17,013 8 7	—	—	—
Expenditure incurred under the Conversion Act, 1888	—	2,009,957 18 4	—	2,009,957 18 4	—	—
Total of Consolidated Fund Services £.	27,861,000 – –	29,864,538 4 9	17,013 8 7	2,020,551 13 4	—	—
Grand Total of Expenditure £.		88,197,705 – –				

The amounts written off from Exchequer Grant Accounts and paid to the Exchequer, in respect of Savings on Votes and Appropriations in Aid realised in excess of Estimate, for the Year 1888–89, amount to 898,493 *l.* 12 *s.* 1 *d.*

	In the Financial Year 1889–90.	1890–91.
	£. s. d.	£. s. d.
Written off from Exchequer Grant Accounts out of Ways and Means of 1888–89	378,231 18 3	—
Ditto ditto ditto ditto 1889–90	509,935 17 4	604 – –
Ditto ditto ditto ditto 1890–91	– – –	177 10 6
Paid into the Exchequer by the Paymaster General	105 4 10	9,434 – 3
£.	888,273 – 5	10,215 10 9

£. 898,488 11 2.

	£. s. d.
Amounts actually written off	898,488 11 2
Short surrender in respect of Vote for Superannuations, &c., to adjust previous over-surrender	5 – 11
£.	898,493 12 1

* This deficit represents outlay by the Factories which had not been recovered at the date of closing the Account; and no Excess Vote is to be taken for it. The Appropriation Account as rendered by the Accounting Officer shows a surplus of 18,036 *l.* 11 *s.* 9 *d.* (See Fifth Report of Public Accounts Committee, 1890, and Treasury Minute thereon, dated 10th January 1891.)

CIVIL SERVICES, 1888–89.

ABSTRACT STATEMENT showing the APPROPRIATION of GRANTS for the undermentioned CIVIL SERVICES, after audit by the Comptroller and Auditor General, and review by the Public Accounts Committee of the House of Commons, for the Year ended 31st March 1889; and the Amounts of the UNEXPENDED BALANCES or DEFICIENCIES arising upon the same.

Number of Vote.	Service.	Reference to Detailed Account in Parliamentary Paper 21, of Session 1890.	Grant.	Expenditure.	Expenditure. Less than Grant.	Expenditure. More than Grant.
	CLASS I.					
	PUBLIC WORKS AND BUILDINGS:		£. s. d.	£. s. d.	£. s. d.	£. s. d.
	GREAT BRITAIN:	Page.				
1	Royal Palaces	3	34,260 – –	32,703 19 6	1,556 – 6	—
2	Marlborough House	6	2,000 – –	1,988 8 4	11 11 8	—
3	Royal Parks and Pleasure Gardens	9	89,013 – –	87,681 6 6	1,331 13 6	—
4	Houses of Parliament	17	46,940 – –	45,471 18 11	1,468 1 1	—
5	Gordon Monument	20	2,200 – –	2,098 13 8	101 6 4	—
6	Public Buildings	22	130,629 – –	120,973 8 –	9,655 12 –	—
7	Admiralty (Extension of Buildings)	27	5,000 – –	2,624 3 6	2,375 16 6	—
8	Furniture of Public Offices	29	15,930 – –	12,884 8 10	3,045 11 2	—
9	Revenue Department Buildings	30	238,514 – –	204,764 5 8	33,749 14 4	—
10	County Court Buildings	47	28,875 – –	27,454 19 11	1,420 – 1	—
11	Metropolitan Police Court Buildings	50	15,756 – –	11,665 5 –	4,090 15 –	—
12	Sheriff Court Houses, Scotland	53	14,250 – –	13,901 9 8	348 10 4	—
13	Surveys of the United Kingdom	56	223,000 – –	222,208 17 3	791 2 9	—
14	Science and Art Department Buildings	64	11,200 – –	10,394 9 2	805 10 10	—
15	British Museum Buildings	67	10,940 – –	9,494 – 2	1,445 19 10	—
16	Edinburgh University Buildings	70	4,000 – –	4,000 – –	—	—
17	Diplomatic and Consular Buildings	71	20,626 – –	20,011 17 9	614 2 3	—
17A	Waterloo Memorial	77	500 – –	500 – –	—	—
18	Harbours, &c., under the Board of Trade	78	16,145 – –	15,432 15 2	712 4 10	—
19	Lighthouses Abroad	80	10,530 – –	10,362 18 7	167 1 5	—
20	Peterhead Harbour	82	30,180 – –	28,527 12 7	1,652 7 5	—
21	Rates on Government Property	84	228,848 – –	228,844 4 4	3 15 8	—
22	Metropolitan Fire Brigade	86	10,000 – –	10,000 – –	—	—
23	Disturnpiked and Main Roads, England and Wales	87	Not voted.	—	—	—
24	Disturnpiked Roads, Scotland					
	IRELAND:					
25	Public Buildings	88	198,302 – –	183,767 2 9	14,534 17 3	—
26	Science and Art Buildings, Dublin	94	42,500 – –	39,157 15 6	3,342 4 6	—
	TOTAL, CLASS I.	£.	1,430,138 – –	1,346,914 – 9	83,223 19 3	—

ABSTRACT STATEMENT showing the Appropriation of Grants, &c., for the Year ended 31 March 1889—*continued.*

Number of Vote.	Service.	Reference to Detailed Account in Parliamentary Paper 21, of Session 1890.	Grant.	Expenditure.	Expenditure. Less than Grant.	Expenditure. More than Grant.
	CLASS II.					
	SALARIES AND EXPENSES OF CIVIL DEPARTMENTS:		£. s. d.	£. s. d.	£. s. d.	£. s. d.
	ENGLAND:	Page.				
1	House of Lords Offices	101	44,640 – –	44,453 19 –	186 1 –	—
2	House of Commons Offices	104	53,517 – –	53,175 1 7	341 18 5	—
3	Treasury	107	60,222 – –	58,791 – 6	1,430 19 6	—
4	Home Office	110	95,734 – –	92,234 5 1	3,499 14 11	—
5	Foreign Office	114	71,073 – –	69,100 10 9	1,972 9 3	—
6	Colonial Office	116	40,968 – –	40,901 8 9	66 11 3	—
7	Privy Council Office	118	51,356 – –	48,757 18 –	2,598 2 –	—
8	Board of Trade	120	104,017 – –	100,113 3 5	3,903 16 7	—
9	Bankruptcy Department of the Board of Trade	123	9 – –	—	9 – –	—
10	Charity Commission	128	40,432 – –	39,261 5 5	1,170 14 7	—
11	Civil Service Commission	130	44,477 – –	37,125 3 5	7,351 16 7	—
12	Exchequer and Audit Department	132	53,720 – –	52,224 14 8	1,495 5 4	—
13	Friendly Societies Registry	134	8,257 – –	8,205 3 4	51 16 8	—
14	Land Commission	136	15,500 – –	14,795 8 3	704 11 9	—
15	Local Government Board	139	448,968 – –	447,630 15 9	1,337 4 3	—
16	Lunacy Commission	144	15,217 – –	14,324 8 3	892 11 9	—
17	Mint	146	68,941 – –	68,752 4 11	188 15 1	—
18	National Debt Office	150	15,071 – –	14,865 11 6	205 8 6	—
19	Patent Office	153	54,305 – –	49,933 15 –	4,371 5 –	—
20	Paymaster General's Office	156	25,690 – –	24,902 8 4	787 11 8	—
21	Public Works Loan Commission	158	9,533 – –	9,072 12 10	460 7 2	—
22	Record Office	160	21,634 – –	21,154 16 8	479 3 4	—
23	Registrar General's Office	162	47,567 – –	46,161 6 9	1,405 13 3	—
24	Stationery and Printing	164	553,977 – –	553,084 16 7	892 3 5	—
25	Office of Woods, Forests, and Land Revenues	168	25,314 – –	24,079 4 5	1,234 15 7	—
26	Office of Works and Public Buildings	170	49,600 – –	48,630 4 8	969 15 4	—
27	Mercantile Marine Fund (Grant-in-Aid)	173	40,000 – –	40,000 – –	—	—
28	Secret Service	185	40,000 – –	29,103 4 4	10,896 15 8	—
	SCOTLAND:					
29	Secretary for Scotland's Office	186	9,747 – –	9,195 11 6	551 8 6	—
30	Exchequer and other Offices	188	6,376 – –	6,345 12 3	30 7 9	—
31	Fishery Board	191	21,427 – –	20,873 8 2	553 11 10	—
32	Lunacy Commission	193	5,990 – –	5,557 7 6	432 12 6	—
33	Registrar General's Office	194	5,948 – –	5,813 14 9	134 5 3	—
34	Board of Supervision	196	29,347 – –	29,257 7 6	89 12 6	—
	IRELAND:					
35	Lord Lieutenant's Household	198	7,478 – –	7,390 12 4	87 7 8	—
36	Chief Secretary's Office	201	40,707 – –	40,393 17 2	313 2 10	—
37	Charitable Donations and Bequests Office	204	2,345 – –	2,304 2 1	40 17 11	—
38	Local Government Board	205	131,698 – –	125,165 8 4	6,532 11 8	—
39	Public Works Office	208	41,728 – –	40,413 13 5	1,314 6 7	—
40	Record Office	216	5,810 – –	5,514 10 8	295 9 4	—
41	Registrar General's Office	218	16,247 – –	15,970 19 2	276 – 10	—
42	Valuation and Boundary Survey	221	23,473 – –	23,015 15 9	457 4 3	—
	TOTAL, CLASS II.	£.	2,448,060 – –	2,388,046 12 9	60,013 7 3	—

ABSTRACT STATEMENT showing the Appropriation of Grants, &c., for the Year ended 31 March 1889—*continued.*

Number of Vote.	Service.	Reference to Detailed Account in Parliamentary Paper 21 of Session 1890.	Grant.	Expenditure.	Expenditure. Less than Grant.	Expenditure. More than Grant.
	CLASS III.					
	LAW AND JUSTICE:					
	ENGLAND:	Page.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
1	Law Charges	229	77,776 – –	74,123 – 8	3,652 19 4	—
2	Criminal Prosecutions	234	181,917 – –	181,892 4 8	24 15 4	—
3	Supreme Court of Judicature	236	408,315 – –	402,943 9 11	5,371 10 1	—
3A	Railway and Canal Commission	240	1,750 – –	1,738 18 –	11 2 –	—
4	Wreck Commission	242	12,680 – –	8,749 13 11	3,930 6 1	—
5	County Courts	244	438,030 – –	446,061 12 3	—	8,031 12 3
6	Land Registry	246	2,919 – –	2,939 14 –	—	20 14 –
7	Revising Barristers	248	25,606 – –	25,605 6 –	– 14 –	—
8	Police Courts, London and Sheerness	249	17,743 – –	17,318 16 8	424 3 4	
9	Metropolitan Police	253	583,520 – –	582,938 11 4	581 8 8	—
10	Special Police	255	57,000 – –	43,604 14 –	13,395 6 –	—
11	Police, Counties and Boroughs, England and Wales	256	895,286 – –	894,657 17 11	628 2 1	—
12	Prisons, England and the Colonies	258	721,180 – –	674,344 19 8	46,835 – 4	—
13	Reformatory and Industrial Schools, Great Britain	262	280,246 – –	280,199 16 10	46 3 2	—
14	Broadmoor Criminal Lunatic Asylum	265	32,802 – –	32,056 18 1	745 1 11	—
	SCOTLAND:					
15	Lord Advocate and Criminal Proceedings	270	61,627 – –	57,449 11 4	4,177 8 8	—
16	Courts of Law and Justice	274	63,357 – –	62,677 12 2	679 7 10	—
17	Register House Department	279	37,627 – –	36,998 1 8	628 18 4	—
18	Crofters' Commission	282	6,831 – –	6,629 15 9	201 4 3	—
19	Police Counties and Burghs	284	152,237 – –	152,232 14 6	4 5 6	—
20	Prisons	286	109,538 – –	102,827 15 10	6,710 4 2	—
	IRELAND:					
21	Law Charges and Criminal Prosecutions	293	82,665 – –	80,210 7 11	2,454 12 1	—
22	Supreme Court of Judicature	297	85,562 – –	85,347 18 8	214 1 4	—
23	Court of Bankruptcy	299	10,647 – –	10,574 8 5	72 11 7	—
24	Admiralty Court Registry	301	1,285 – –	1,266 14 6	18 5 6	—
25	Registry of Deeds	302	16,346 – –	16,022 14 2	323 5 10	—
26	Registry of Judgments	303	2,413 – –	2,081 2 10	331 17 2	—
27	Land Commission	305	108,118 – –	100,422 13 8	7,695 6 4	—
28	County Court Officers, &c.	309	115,750 – –	113,535 1 –	2,214 19 –	
29	Dublin Metropolitan Police	312	151,733 – –	144,558 19 8	7,174 – 4	—
30	Constabulary	315	1,439,288 – –	1,412,946 11 9	26,341 8 3	—
31	Prisons	319	134,742 – –	121,451 4 2	13,290 15 10	—
32	Reformatory and Industrial Schools	328	108,497 – –	107,013 1 2	1,483 18 10	—
33	Dundrum Criminal Lunatic Asylum	330	6,762 – –	6,712 15 –	49 5 –	—
	TOTAL, CLASS III.	£.	6,431,795 – –	6,290,134 18 1	149,712 8 2	8,052 6 3

ABSTRACT STATEMENT showing the Appropriation of Grants, &c., for the Year ended 31 March 1889—*continued.*

Number of Vote.	Service.	Reference to Detailed Account in Parliamentary Paper 91, of Session 1890.	Grant.	Expenditure.	Expenditure. Less than Grant.	Expenditure. More than Grant.
	CLASS IV.					
	EDUCATION, SCIENCE AND ART:		£. s. d.	£. s. d.	£. s. d.	£. s. d.
	ENGLAND:	Page.				
1	Public Education, England and Wales	339	3,600,767 – –	3,600,304 19 11	462 – 1	—
2	Science and Art Department (United Kingdom)	346	445,303 – –	433,407 4 11	11,895 15 1	—
3	British Museum	360	148,898 – –	147,149 7 9	1,748 12 3	—
4	National Gallery	363	10,629 – –	10,621 10 11	7 9 1	—
5	National Portrait Gallery	366	1,922 – –	1,904 14 4	17 5 8	—
6	Learned Societies and Scientific Investigation	368	21,900 – –	21,900 – –	—	—
7	London University	371	14,352 – –	14,298 15 1	53 4 11	—
8	Universities and Colleges, Grants in Aid	373	14,000 – –	14,000 – –	—	—
9	Deep Sea Exploring Expedition (Report)	374	2,000 – –	1,996 4 10	3 15 2	—
	SCOTLAND:					
10	Public Education	376	568,322 – –	567,850 19 2	471 – 10	—
11	Universities, &c.	382	19,325 – –	19,117 13 5	207 6 7	—
12	National Gallery	386	2,500 – –	2,500 – –	—	—
	IRELAND:					
13	Public Education	387	898,525 – –	865,646 9 1	32,878 10 11	—
14	Teachers' Pension Office	395	2,020 – –	1,566 18 10	453 1 2	—
15	Endowed Schools Commissioners	398	700 – –	655 – 1	44 19 11	—
16	National Gallery	400	2,501 – –	2,498 1 9	2 18 3	—
17	Queen's Colleges	402	10,528 – –	10,522 13 –	5 7 –	—
18	Royal Irish Academy	406	2,081 – –	2,024 7 6	56 12 6	—
	TOTAL, CLASS IV.	£.	5,766,273 – –	5,717,965 – 7	48,307 19 5	—
	CLASS V.					
	FOREIGN AND COLONIAL SERVICES:					
1	Diplomatic Services	413	236,260 – –	230,892 2 9	5,367 17 3	—
2	Consular Services	420	179,433 – –	166,108 19 7	13,324 – 5	—
3	Slave Trade Services	442	18,620 – –	18,521 4 8	98 15 4	—
4	Suez Canal (British Directors)	444	1,405 – –	1,293 11 3	111 8 9	—
5	Colonies, Grants in Aid	446	51,115 – –	42,932 7 10	8,182 12 2	—
6	South Africa and St. Helena	462	84,545 – –	84,213 8 6	331 11 6	—
7	Subsidies to Telegraph Companies	465	49,300 – –	49,063 5 9	236 14 3	—
8	Cyprus, Grant in Aid	467	55,000 – –	55,000 – –	—	—
	TOTAL, CLASS V.	£.	675,678 – –	648,025 – 4	27,652 19 8	—

ABSTRACT STATEMENT showing the Appropriation of Grants, &c., for the Year ended 31 March 1889—*continued.*

Number of Vote.	Service.	Reference to Detailed Account in Parliamentary Paper 21., of Session 1890.	Grant.	Expenditure.	Expenditure. Less than Grant.	Expenditure. More than Grant.
	CLASS VI.		£. s. d.	£. s. d.	£. s. d.	£. s. d.
	NON-EFFECTIVE AND CHARITABLE SERVICES:	Page.				
1	Superannuations and Retired Allowances	477	484,010 – –	481,516 14 9	2,493 5 3	—
2	Merchant Seamen's Fund, Pensions, &c.	489	16,400 – –	15,245 18 7	1,154 1 5	—
3	Pauper Lunatics, England	491	500,000 – –	495,649 3 10	4,350 16 2	—
4	Pauper Lunatics, Scotland	492	90,000 – –	89,069 10 6	930 9 6	—
5	Pauper Lunatics, Ireland	494	104,460 – –	104,327 7 –	132 13 –	—
6	Hospitals and Infirmaries, Ireland	496	16,658 – –	16,656 11 11	1 8 1	—
7	Savings Banks and Friendly Societies Deficiency	498	60,013 – –	60,012 9 4	– 10 8	—
8	Miscellaneous Charitable and other Allowances, Great Britain	500	2,338 – –	2,306 13 4	31 6 8	—
9	Miscellaneous Charitable and other Allowances, Ireland	502	2,399 – –	2,388 11 9	10 8 3	—
	TOTAL, CLASS VI.	£.	1,276,278 – –	1,267,173 1 –	9,104 19 –	—
	CLASS VII.					
	MISCELLANEOUS:					
1	Temporary Commissions	507	33,404 – –	32,132 14 10	1,271 5 2	—
2	Miscellaneous Expenses	516	9,811 – –	6,827 18 1	2,983 1 11	—
3	Public Works and Industries, Ireland	519	37,600 – –	34,972 2 7	2,627 17 5	—
4	Repayment of Kilrush and Kilkee Railway Deposit	521	3,312 – –	3,312 – –	—	—
5	Arran Islands: Supply of Seed Potatoes	522	1,742 – –	1,741 7 4	– 12 8	—
6	Melbourne Exhibition, 1888	524	7,000 – –	7,000 – –	—	—
7	Repayments to the Civil Contingencies Fund	525	1,823 – –	1,822 14 11	– 5 1	—
8	Repayments to the Local Loans Fund	526	33,230 – –	33,229 2 9	– 17 3	—
9	Crofters' Colonization (Advances in Aid)	528	10,500 – –	8,994 12 3	1,505 7 9	—
	TOTAL, CLASS VII.	£.	138,422 – –	130,032 12 9	8,389 7 3	—

APPENDIX, No. 5.

PAPER handed in by *Mr. Ferguson-Davie*, 25 February 1891.

MEMORANDUM by the Clerk of the House (Sir *Denis Le Marchant*), 1866.

ASSESSING BILLS.

THE attention of the Clerk of the House having been directed to the evidence taken before the Select Committee of last Session on Public Accounts, and to the manner in which the Fees of the House of Commons are charged and collected, he considers that there should be a more complete system of audit and check than at present exist in the Assessing and Collecting of Fees, and that the following rules should be laid down.

At present the Clerk of the Fees (Mr. Rose) reads through the Private Bills and settles the amount of the Fees according to the *ad valorem* scale to which each Bill is liable. The Bills have been previously read by Mr. Marriott, and if the two agree as to the amount it is entered in a book which the Accountant (Mr. Broom) consults before making up the Accounts.

It is proposed that the Chief Clerk of the Private Bill Office (Mr. Hodgkin) shall also read through the Bills, and assess the amount chargeable, which he will be able to do before the Accounts are made up in the Fees Office. This would prevent the Clerk of the Fees from conspiring with the Parliamentary Agents to assess a Bill at a less amount than it is properly chargeable with, and would be a further check against any mistake in the assessment.

FEES ON BILLS.

The Accounts are made up by the Accountants and sent to the Parliamentary Agents at the end of each week on all Bills which have passed the House, or on which the proceedings have terminated, and the Fees are payable on the following Tuesday.

The Clerk of the Fees attends at the Fees Office on the Tuesday, and sees that all the money received is entered in a Cash Book, and that the total amount of each week's receipts are paid into the Bank of England the following (Wednesday) morning.

It is proposed that the Fee Ledger or the Accounts or copies shall be sent from the Fees Office to the Chief Clerk of the Private Bill Office on the Wednesday morning, who will compare them with the "Private Bill Office Register." He will see that every Bill is charged at its proper *ad valorem* rate, and that all the different stages and proceedings have been properly charged.

The Clerk of the Private Bill Office considers that the Register, and a reference to the Bills themselves, will enable him to check the whole of the Fees payable on a Bill.

FEES ON OPPOSITION.

In the case of Oppositions the Accountants receive Returns day by day from the Committee Clerks of each day's proceedings before Committees, from which they make up the accounts of oppositions.

It is proposed that at the close of all proceedings on a Bill before the Committee, a Return of the whole of the Fees incurred by Parliamentary Agents shall be sent to the Private Bill Office by the Chief Clerk of the Committee Clerk's Office (Mr. Pole).

The Chief Clerk of the Private Bill Office will see that the amount of Fees charged by the Accountants on Oppositions to the Agents agrees with the Return sent to him from the Committee Clerk's Office.

After having checked the accounts each week the Chief Clerk of the Private Bill Office will keep an account of the amount of fees charged.

The Clerk of the Fees will then, by means of the Bank of England Pass Book be able to satisfy him that the amount has been duly paid into the Commissioners' Account.

It is considered that these Checks, in addition to these at present existing, and as detailed in evidence given by Mr. Broom and Mr. Rose before the Committee on Public Accounts in Session 1865, will both secure an effectual Audit of the Accounts, and will prevent the possibility of any collusion between the Clerk of the Fees and the Accountant, or between the Accountant and the Parliamentary Agents for the purpose of charging a less amount of Fees on Bills or Oppositions than what they are properly liable to.

As this Audit of Accounts is proposed more as a measure against fraud in the collection of Fees than a close inspection of the accounts, the Chief Clerk of the Private Bill Office, in the event of finding what would clearly appear to be a mere mistake in the accounts, will call the attention of the Clerk of the Fees and the Accountant to the fact, and they will take whatever means may be available for correcting and remedying it; but if the Chief Clerk of the Private Bill Office should find anything wrong in the accounts beyond what might be considered a mistake, it will be his duty to call the attention of the Clerk of the House to the case.

APPENDIX, No. 6.

PAPER handed in by Mr. *Spring-Rice*, 11 March 1891.

COMMISSIONERS OF ASSIZE.

THE following Statement gives the practice with regard to the remuneration of Commissioners of Assize on occasions when they cannot be expected to give their services gratuitously :—

For a whole Assize, the customary fee is 500 guineas :

Instances - - -	One in 1880.
	Three in 1881.
	Four in 1889.

For parts of an Assize, the attempt is made to secure the services of a Queen's Counsel of sufficient standing at a rate not exceeding 15 guineas per diem.

Instances :—1873 - -	225 *l.* for part of a circuit.
1878 - -	105 *l.* for six days.
1887 - -	15 guineas a day for 16 days.

Expenses are allowed on the same scale as in the case of Judges when on Circuit.

Treasury,
11 March 1891.

APPENDIX, No. 7.

PAPER handed in by Mr. *Craik*, C.B., in reply to Q. 462, 18 March 1891.

LENZIE ACADEMY

TABLE showing for each Class :—

1. The rate per week resulting from the division of the quarterly fee by 10½
2. The rate per week entered on page 5 of Form 9.
3. The difference of these rates.
4. The rates of deductions for special subjects (Special Masters)
5. The rates of deductions for ordinary materials supplied.

CLASS.	1.	2.	3.	4. { *See* Prospectus, p. 6.	5. { In Form 9 as Materials. *See* Prospectus, p. 6.
	s. d.	*s. d.*	*s. d.*		
Infants - -	– 5¾	– 4¼	– 1½	Special Singing, ½*d.* - - -	Kindergarten Material, ½*d.*; use of Slates, &c., ½*d.*
Standard I.	– 8½	– 6½	– 2	Special Singing, 1*d.* - - -	Use of Slates and Dumb Bells, 1*d*
„ II.	– 11½	– 9	– 2½	Special Singing, 1*d.* - - -	Use of Slates, Pens, and Ink, 1½*d*
„ III.	1 2½	– 11	– 3½	Special Singing, 1*d.*; Physical Exercise, 1*d.*	Stationery, use of Slates, Pens, &c., 1½*d.*
„ IV.	1 5	1 –	– 5	Special Singing 1*d* · Physical Exercise, 2*d.*	Stationery, use of Slates, Pens, &c., 2*d.*
„ V.	1 8	1 1	– 7	Conversational French, 1*d.*; Shorthand, 2*d.*; Physical Exercise, 2*d.*	Stationery, use of Slates, Pens, &c., 2*d.*
„ VI.	2 –	1 3	– 9	Conversational French, 1*d.*; Shorthand, 3½*d.*; Physical Exercise, 2½*d.*	Stationery, use of Slates, Pens, &c., 2*d.*

Memo.—No. 4 entered separately in Cash Book.

SECOND

REPORT

FROM THE

COMMITTEE

OF

PUBLIC ACCOUNTS:

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

MINUTES OF EVIDENCE,

AND APPENDIX.

Ordered, by The House of Commons, *to be Printed*,
6 *May* 1891.

[*Price* 9 *d.*]

227. *Under* 9 *oz.*

H.—26. 5. 91.

THIRD

REPORT

FROM THE

COMMITTEE

OF

PUBLIC ACCOUNTS;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

MINUTES OF EVIDENCE,

APPENDIX, AND INDEX.

Ordered, by The House of Commons, *to be Printed,*
23 *July* 1891.

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361.

Committee of Public Accounts.

Ordered,—[*Wednesday*, 4*th February* 1891]:—That the Committee of Public Accounts do consist of Twelve Members.

Committee nominated—of—

Sir Ughtred Kay-Shuttleworth.	Sir John Lubbock.
Mr. Barran.	Mr. Arthur O'Connor.
Sir Walter Barttelot.	Mr. Salt.
Mr. Sydney Buxton.	Sir Richard Temple.
Mr. Crawford.	Mr. Webb.
Mr. Jackson.	Mr. Wodehouse.

That the Committee have power to send for Persons, Papers, and Records.

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THIRD REPORT.

THE COMMITTEE of PUBLIC ACCOUNTS have made further progress in the Matters to them referred, and have agreed to the following THIRD REPORT :—

ARMY APPROPRIATION ACCOUNT, 1889–90.

INDIAN HOME EFFECTIVE CHARGES.

1. THE basis on which the Indian Government should pay for the Home Effective Charges for the period from the 1st of April 1887 has not yet been settled. It appears, Q. 547. from the evidence of the Accountant General of the Army, that questions of importance have been raised by the Indian Government with respect to the War Office Claims, and that these must first be considered, before the claims themselves can be dealt with by Lord Northbrook's Committee.

Your Committee trust that every endeavour will be made to arrive at an early settlement of this long outstanding question.

VOTE 1.—ALLOWANCES TO AGENTS OF THE FOOT GUARDS.

2. The Comptroller and Auditor General has called attention to certain allowances for Postage and Stationery to Messrs. Cox & Co., the Agents, as not authorised by Royal Warrant.

It has been explained to your Committee that Messrs. Cox & Co. act, not only as agents, but as Paymasters of the Regiments, and that, as the War Office have, on consideration, decided to continue the present arrangements, steps will be taken to regularise Q 564. the payments in the direction indicated by the Comptroller and Auditor General.

VOTE 11.—LOSS OF A BALE OF CLOTH IN THE CLOTHING DEPARTMENT.

3. The evidence as to the circumstances under which the War Office found themQ. 574–588 selves under the necessity of paying for a bale of cloth which had been rejected on inspection, and subsequently lost, is not altogether satisfactory, and your Committee trust that steps will be taken for the prompt removal by the contractors of all rejected stores, and for freeing the Department from pecuniary responsibility in the event of their neglecting that duty.

VOTE 12.—WARLIKE STORES.

4. It is, in the opinion of your Committee, most important that the Production Voucher of the Ordnance Factories should be in the hands of the Comptroller and Auditor General in sufficient time to enable a test examination to be applied to it by his Department, and the correctness of the charges to the Vote to be verified before the date fixed by Statute for his Report to Parliament.

The Comptroller and Auditor General points out that the Production Voucher for 1888–89 was not presented to his Department until the 26th November 1889, whilst that for 1889-90 was even later in delivery, and did not reach the Audit Office until the 7th January 1891, a date far too late to enable him to certify the correctness of the amount charged against the Vote.

Q. 596-597. Q. 1207. The Accountant General has stated that it is hoped that the Production Voucher for 1890–91 will be completed in September 1891, and that for 1891–92 in July 1892, and your Committee trust that this hope will be realised.

Vote 12.—Estimate and Expenditure, and Appropriations-in-Aid.

5. The insufficiency of the explanations of variations between Estimate and Expenditure, and Appropriations-in-Aid estimated and realised, to which the Comptroller and Q. 602 and 606. Auditor General has called attention, has been admitted by the Accountant General. These explanations should always be given in sufficient detail to cover all the facts of the respective cases; and the attention which has been called to this subject will, it is hoped, have the desired effect.

Vote 13.—Repairs to Officers' Club at Aldershot.

6. The question raised by the Comptroller and Auditor General, whether the expenditure incurred in these repairs should have been charged as final expenditure against the Vote, seeing that it was to be repaid ultimately, with interest, by the Club, is not altogether free from difficulty.

Without expressing any decided opinion upon this point, your Committee cannot but consider that, in the Accounts or Papers on which the charge to the Vote was made, the fact that a personal account had been opened by the War Office against the Committee of the Club should have been clearly brought to the knowledge of the Comptroller and Auditor General, who would then have been in a position to watch the gradual liquidation of the claim.

Q. 639. The Accountant General of the Army stated, in reply to a question, that this charge against the Club has been noted for recovery in precisely the same way as the rents receivable by the War Office, which amount to about 28,000 *l.* a year; and he added—

"We do not enter the liabilities of our tenants for rent in our Account; but we "have a rent-book, in which note is taken that those rents shall be recovered. We "make up a rent-roll, as it were, from time to time; and that is separate from the general "record which the Comptroller and Auditor General examines."

Q. 681. Again, in reply to a question on the same subject, he remarked—

"We have records, but they are not, as it were, the public records, which are "examined by the Comptroller and Auditor General."

It appears to your Committee that, having regard to the importance of the amounts involved in the various kinds of repayments recovered as Appropriations-in-Aid, referred Q. 678–708. to in the evidence, it is highly desirable that these records should be submitted to the Comptroller and Auditor General for inspection or examination; and that he should, in his next Report on the Army Appropriation Accounts, inform Parliament how, in his opinion, steps can best be taken for regularly checking the receipt of repayments or annual payments to the War Office, so as to safeguard the public interests without unduly adding to the work and cost of his Department.

Vote 19.—Alteration of the Date of a First Commission after the Lapse of Thirty-seven Years.

7. The Comptroller and Auditor General reported that he had objected to a grant of a pension at the rate of 25 *s.* a day, in a case where the officer had not completed the Pay Warrant of 1882, Art. 73. requisite 30 years' service, "reckoned from the date of his first permanent Commission." The War Office thereupon determined to alter the date of the officer's Commission, so as to bring up his years of service to this limit. They did this on the plea that he had been engaged in an acting capacity from the date to which they antedated the Commission. This alteration of the date of the Commission, after the lapse of 37 years, although a revival of an old practice, was open, in the opinion of your Committee, to the strong objections

objections urged against it by the Treasury at the instance of the Comptroller and Auditor General. Your Committee are glad to learn that the War Office accept the ruling of the Treasury on this question, that the practice of antedating of Commissions is now finally abandoned, and that Treasury authority having been obtained for a grant under the Dispensing Warrant, the pension is no longer open to objection.

Vote 19.—Claim based upon an Error in the Royal Warrant.

8. A case in which an addition of 50 *l.* to retired pay at the rate of 300 *l.* a year had been awarded to a major of the Royal Artillery, on the strength of words in a Royal Warrant which had been inserted in error, has been the subject of protest on the part of the Treasury in correspondence published in the Appropriation Accounts. The Treasury finally decided to "leave it to the Public Accounts Committee to report to Parliament "whether the additional 50 *l.* per annum improperly granted to Major Sheil, R.A., on the "strength of this error should be disallowed by Parliament." It was apprehended on the information given by the War Office that the case affected the possible claims of 13 officers to a similar extra payment. Your Committee are glad to learn that only three other similar cases exist; and although they entirely approve of the protest made by the Treasury, and are clearly of opinion that in such a case the Secretary of State should have consulted the Treasury before giving his decision, they are not prepared to disallow the grant in this case, seeing that the error in the Royal Warrant having remained uncorrected during two periods, amounting in the aggregate to five years, it seems possible that officers may have formed expectations based upon the actual wording of the Warrant during those periods. Q. 743–791.

Your Committee feel bound to comment upon the apparent carelessness which caused the error to be committed in the first instance, then to remain for some time uncorrected, and, after having been corrected, to be reintroduced in a fresh issue of the Royal Warrant. The consequence, in the case of at least one officer, and possibly of four, is an irregular charge of 50 *l.* a year.

Vote 21.—Award of a Wounds Pension to an Officer for an Injury received while acting in a Civil Capacity.

9. Although a Wounds Pension can only be granted under the Royal Warrant, when the officer has been wounded in the execution of military duty, a pension of this nature, dating from 1st January 1888, has been granted to Lieutenant-Colonel W. Everett, on account of injuries received while acting in a civil capacity as consul at Erzeroum. Under these circumstances the Treasury objected to the pension, and also held, in reply to a suggestion of the War Office, that such a grant could not be made by means of the Dispensing Warrant. They maintained that a direct application to Parliament, for the amount of compensation for the injury, would be preferable to what they ventured to think a strained definition of military duty. This view was not accepted by the War Department; and the Secretary of State finally decided to make a grant of 150 *l.* a year, under the authority of the Royal Warrant first mentioned. Your Committee regret that the suggestion of the Treasury was not acted upon; and, as the case was not one falling within the clear meaning of the Warrant, they agree with the suggestion that the only proper mode of dealing with the case was by a direct application to Parliament. Any case of this kind should be met by a special item in the Consular Vote, or should, in some other manner, be distinctly brought to the notice of Parliament, at the instance of the Foreign Office. The pension cannot be allowed as a charge against Army Votes. Q. 792–814.

Surplus to be Surrendered.

10. The Surplus to be surrendered, as shown on the Appropriation Account is - - - - - - - - - £. 347,821 10 2

To this, however, must be added the sum of - - - - 1,834 9 10

which, as shown in the 22nd paragraph of the Comptroller and Auditor General's Report, has been twice charged. The error has been admitted, and the amount to be surrendered will consequently be increased to - £. 349,656 – –

NAVY APPROPRIATION ACCOUNT, 1889-90.

Votes 1 and 2.—Receipts from India for Services of Her Majesty's Ships in Indian Waters.

11. From the terms of an Admiralty Letter, dated the 12th of January 1891, the Comptroller and Auditor General was led to believe that the subsidy payable by the Indian Government for the services of Her Majesty's ships in Indian waters had been fixed, by consent, at 41,600 *l.* (plus the cost of repairing the "Sphinx") for 1890-91, and at 103,577 *l.* for 1891-92.

Your Committee regret, however, to learn, from the evidence given before them, that, as regards the latter year, the amount of the subsidy has not yet been settled.

It appears that the Indian Government, having apparently agreed, at a Conference held on the 26th March 1890, to the payment of 103,577 *l.* for the year 1891-92, has
Q. 843. since taken exception to the ships selected by the Admiralty, although they are stated to be ships "of a new type and high speed." Your Committee have not been informed whether the Admiralty are prepared to meet the objections of the Indian Government; but they must impress upon the Departments concerned the importance which they attach to an early settlement of this outstanding question, upon a sound and permanent basis.

Vote 8, Section III.—Payments to Contractors for Propelling Machinery.

App. No. 1. 12. The Comptroller and Auditor General has again called attention to the very large payments made to contractors in the concluding month of the Financial Year, and to the fact that, out of a total expenditure of 548,768 *l.* 5 *s.* 5 *d.* in the year 1889-90, 188,837 *l.* 5 *s.* 6*d.* was paid in March 1890.

Q. 850. Your Committee have made further inquiries on this subject, and have been informed that every effort is being made by the Admiralty to meet the views expressed by successive Committees of Public Accounts, that the expenditure in question should be more evenly
Q. 852. distributed throughout the year. They have also been led to expect that the Account for 1890-91 will show a marked improvement in this respect.

Under these circumstances, they refrain from further remarks, in the confident expectation that this subject will be carefully kept in view by the Board of Admiralty.

Vote 8, Section III.—Advances to Contractors.

Q. 859. 13. Your Committee learn, with satisfaction, that the Admiralty are prepared to adopt forms of contract, with instalment conditions, in all cases where the nature of the
Q. 860. contract will admit of such conditions, and to increase the number of instalments, under every large contract for propelling machinery, from 16 to 26.

Your Committee trust that the adoption of these new forms of contract will have the effect of considerably diminishing the number of cases in which, under the old system, it has been found necessary to make advances to contractors which, although they were for work done, were not claimable by the contractors under the terms of their contracts, and
Fourth Report 1890, paragraphs 5-8. were, to this extent, irregular. The importance of these points was urged in the Fourth Report of the Public Accounts Committee last year.

Vote 8, Section III.—Sub-Head DD., Expenses of Raising Her Majesty's Ship "Sultan."

14. Your Committee have had under their consideration the circumstances under which the Admiralty, on the 7th June 1889, entered into a contract with Messrs. Baghino for raising Her Majesty's Ship "Sultan" for 50,000 *l.*, without first obtaining the sanction of the Treasury for the expenditure involved, and notwithstanding the fact that no provision had been made for this service in the Navy Estimates.

Pages 115-116. The Admiralty having, in their letter of the 15th November 1889, to the Treasury, expressed their regret for the irregularity, and the Accountant General of the Navy
Q. 868. having promised that, in future, the Admiralty will observe a rule laid down by a Treasury Minute of the 20th August 1889, to govern departmental procedure in similar cases, your Committee are of opinion that the expenditure may be allowed.

The

The Treasury Rule, to which reference is made, is intended to govern cases in which a Department finds itself under the necessity of incurring expenditure on a service before Parliamentary provision for it has been made; and is in the following terms:—

"As soon as the Spending Department is satisfied that the new expenditure cannot, without detriment to the public interests, be postponed until Parliament has provided for it in the usual manner, that Department should submit the same in writing to the Treasury with a full description of the circumstances which render it necessary. The Treasury will then decide whether, apart from any question of adequacy of savings, the nature of the service is such as to require, for constitutional or other reasons, that Parliament should be consulted before the expense is incurred. Supposing the Treasury to decide that the expense may be incurred without the previous submission of an Estimate to the House, the method of procedure will depend in part on the period of the year. Treasury Minute, 20th August 1889.

"If the Vote to which the expenditure is chargeable has not yet been taken, the Minister who will have charge of it when taken in Committee of Supply should at once lay upon the Table of the House a statement of the additional expenditure sanctioned by the Treasury, explaining that it is proposed to defray it out of savings on other Army or Navy Votes if possible, in which case a Minute will be presented to the House before the end of the financial year, specifying the exact savings that are to be employed for the purpose, but that, should this mode of defrayment prove impossible, a Supplementary Estimate will be presented for it.

"If the Vote to which the expenditure is chargeable has been already taken, no opportunity is likely to occur of informing the House of it until the time arrives for presenting either a Supplementary Estimate or a Minute in accordance with the Resolution of 4th March 1879; and meanwhile the expenditure may be incurred if the Treasury approves."

Your Committee wish to impress upon Public Departments generally, and particularly upon the War Office and Admiralty, the importance which they attach to a careful observance of this Regulation, which, in their judgment, lies at the very threshold not only of Treasury, but of Parliamentary control.

Vote 9.—Naval Armaments.

15. The Comptroller and Auditor General has again called attention to the fact, that the important change under which, from the 1st April 1888, the Parliamentary provision for Naval Armaments has been made in the Navy Estimates, instead of, as heretofore, in the Army Estimates, has not been accompanied by the corresponding changes which, in his opinion, are necessary, if the Rule involved in the Exchequer and Audit Departments Act of 1866 is to be maintained, that the Department which administers a Vote is to be directly responsible for its expenditure.

He has pointed out that, if the object contemplated in the mode of taking the Estimate is to secure direct responsibility on the part of the Admiralty for the expenditure of the Vote, it will not, in his judgment, be fully attained until the Admiralty is charged with the entire responsibility for every contract entered into on its behalf, and for every order placed with the Ordnance Factories at Woolwich, for Warlike Stores.

He further remarks that, when this has been done, the responsibility for watching the due execution of both contracts and orders, for testing and passing the stores, and for ascertaining that they are taken on Naval Store charge, should, in his opinion, necessarily follow; and that the chain of responsibility will be rendered still more complete by the measure upon which Her Majesty's Government have already decided, viz., the transfer to the Admiralty of the custody of all Naval Warlike Stores at the principal Home Stations.

In the 4th Report of the Committee of Public Accounts, 1890, it was stated that the question as to the steps to be taken for securing that effective responsibility on the part of the Admiralty for the expenditure under this Vote, which the Exchequer and Audit Departments Act requires of all Accounting Departments, together with the further question of the transfer of the custody of Naval Warlike Stores from the War Office to the Admiralty, had been referred by the Chancellor of the Exchequer to Mr. Forwood's Committee on Naval Warlike Stores. These questions have since been considered by that Committee, who have made two Reports to Her Majesty's Government. Para. 14.

Your Committee are glad to learn from the evidence which they have received, as well as from the statement of the Comptroller and Auditor General, that one of the recommendations of Mr. Forwood's Committee, namely, that the Admiralty shall be the custodians of their own Stores at the principal Home stations, has been accepted, and that this recommendation is now in course of being carried out. Treasury Minute, 10th January 1891. Q. 875.

Q. 877-880. Q. 885-887. With regard to the other questions involved in the reference, Mr. Forwood's Committee have also made recommendations which appear to be still under consideration.

Q. 1241. Your Committee were desirous that the Reports in question should have been laid before them; and it is a matter of regret to them that, on administrative grounds, Her Majesty's Government have considered this course open to objection. Under these circumstances, your Committee confine themselves to the expression of an earnest hope that all the steps necessary for investing the Admiralty with the entire financial responsibility for the expenditure under this Vote may be taken definitely, and at an early date. They are under the necessity of recording their opinion, as was done in the Report of last year, that the present mode of administering the Naval Armament Vote is not consistent with the provisions of the Exchequer and Audit Act.

Public Accounts Committee, Fourth Report, 1890, para. 16.

Vote 9.—Payments to the War Office for Guns and Warlike Stores.

16. As in the case of the Army, so in the case of the Navy Appropriation Account, the Comptroller and Auditor General was unable to verify the correctness of the charges for Warlike Stores supplied by the Ordnance Factories before presenting his Report on the Account, in consequence of the late delivery of the Production Voucher. However, Q. 1200. your Committee learn that the subsequent investigations have, on the whole, shown fairly satisfactory results.

Vide *supra*, para. 4. The subject of the future submission to the Audit Office of the Production Voucher at an earlier date has been already dealt with in the Army Appropriation Account.

Vote 9.—Appropriation of Expenditure under the Normal, Dockyard, and Contract Ships.

17. Your Committee regret to learn that, owing to the manner in which the Ordnance Factory Accounts were kept, it has been found impossible to effect a perfectly accurate division of the Expenditure under Normal, Dockyard, and Contract-built Ships, a duty incumbent upon the Admiralty under the Naval Defence Act.

Q. 934. Your Committee were informed on behalf of the Admiralty, that the War Office objected to keep the Accounts in such a manner as would have ensured a due compliance with the provisions of the Act in question, on the ground that this would involve a very intricate system of accounting. That Department has, however, since seen its way to the institution of Accounts which are expected to have the desired effect as regards the Q. 935. Navy Appropriation Account for 1890-91. Your Committee cannot, therefore, consider that there was much weight in the original objection; and they regret that the War Office should not have recognised at the outset the necessity for doing all in their power to enable the Admiralty to discharge with perfect accuracy the duties imposed upon them under the Naval Defence Act.

Although, at this distance of time, it may not be possible to revise the allocation Q. 932. of Expenditure, which the War Office considers to be fairly accurate, your Committee trust that the Admiralty will take such steps as will secure that the Ships Building under the Naval Defence Act, whether in the Dockyards or under Contract, ultimately receive from the Ordnance Factories, armaments, and warlike stores to the full value of the amount which will be charged to them respectively.

Vote 9.—Supplies of Ordnance Stores to other Departments.

Q. 936. 18. The Treasury have apparently given their consent, subject to the establishment of suitable regulations, to an arrangement under which the amounts received from the Departments for stores supplied will be credited to the Debit Sub-Head which bore the original charge, instead of to Appropriations-in-Aid, according to usual practice.

The arrangement in question appears to be one which should be carefully watched by the Comptroller and Auditor General.

Q. 947. The Treasury admit that serious abuse might arise, and that careful regulations ought to be made.

Vote 9.—Warlike Stores for Ships Building under the Imperial Defence Act.

19. The Comptroller and Auditor General reports that a sum of 5,085 *l.* has been charged against Sub-Head D., "Small Arms and Miscellaneous," in respect of Warlike Stores which were purchased for the Australian squadron, and taken on charge in the Australian Store Ledger.

It appears that it has since been found that some of these stores were not required for the Australian ships, and have been transferred to Ordinary Naval Services. As, however, no adjustments have been made within the period of this Account, your Committee have no alternative but to disallow the sum of 5,085 *l.* charged against this Vote. In their opinion this amount should have been included in the Account of expenditure under the Imperial Defence Act for 1889-90. As this has not been done, an adjustment would appear to be necessary in the Account for 1890-91. Q. 956.

Vote 11.—Infringement of Patent.

20. Your Committee agree with the Comptroller and Auditor General in thinking that the payment of 11,686 *l.* 15 *s.* 7 *d.* to the Hotchkiss Ordnance Company should have been charged to a Special Sub-Head, and not to Sub-Head J. of Vote 11 (Gratuities for Special Services).

If, however, the Treasury should still be of opinion that the Sub-Head for Gratuities in the Navy Estimates should be placed on the same footing as the Sub-Head "Awards to Inventors, &c," in the Army Estimates, the title of the Navy Sub-Head should be altered accordingly. Q. 966.

Surplus to be Surrendered.

	£.	*s.*	*d.*
21. The Net Surplus to be surrendered, as shown on the Appropriation Account, is- - - - - - - -	391,431	5	–
To this, however, must be added the sum of - - which Your Committee have disallowed, for the reasons explained in Paragraph 19, making a Total of	5,085	–	–
	£. 396,516	5	–

Your Committee are not aware that it has yet been settled how much of this surplus is to be surrendered to the Exchequer, and how much to the Naval Defence Account at the Bank of England, under the provisions of the Naval Defence Act, 1889.

ARMY (ORDNANCE FACTORIES).

Appropriation Account, 1889-90.

22. This Account shows a Net Deficit of 23,927 *l.* 12 *s.* 5 *d.*

According to the statement of the Comptroller and Auditor General, the correct amount of the Net Deficit is 25,666 *l.* 15 *s.* 1 *d.* The Treasury having, however, allowed the sums of 2 *l.* 15 *s.* 2 *d.*, and 92 *l.* 12 *s.* referred to in paragraph 8 of his Report, the deficit is increased to 25,762 *l.* 2 *s.* 3 *d.*

The manner in which deficits upon this Vote should be treated was the subject of investigation by the Committee of Public Accounts of 1890, and has again been the subject of inquiry by your Committee in the present Session.

It is necessary, in the first instance, to point out that this Vote is of an exceptional character, inasmuch as, although the expenditure of the Factories amounts to nearly two millions and a half, the Parliamentary Vote is for a merely nominal amount, the expenditure being met out of Appropriations-in-Aid, which consist of the amounts paid by the War Office, Admiralty, India, and the Colonies, for Armaments and other Warlike Stores manufactured and supplied, or in process of manufacture.

The respective Departments and Governments make cash advances from time to time to enable the Factories to carry on their business; and final payments or adjustments are made when the War Office have made up their accounts for completed orders, and have arrived at the ascertained value of labour expended, and stores used on semi-manufactured articles.

The War Office have unfortunately not hitherto been able to get out their Production Voucher, or their claim for semi-manufactures, until many months after the termination of the Financial Year. The Production Voucher for 1888-89 was not forthcoming until the end of November 1889; whilst that for 1889-90 was not completed until January 1891.

This circumstance has been the cause of serious inconvenience; for, until the final claims are received, the Departments cannot know for certain whether the advances they have made are or are not, in excess of the amounts they will be called upon to pay; and when, as in the case of the Admiralty, it was found that, in consequence of the inaccuracy of the forecasts of expenditure on the part of the Factories, the advances in 1888–89 were 54,000 *l.* in excess of the value of the work done, the knowledge came too late to be of practical utility; and the inaccuracy of the forecast had consequently the effect of diminishing the spending powers of the Admiralty by that amount. As the business of the Ordnance Factories is carried on on a professedly self-supporting basis, the Departments being charged the actual cost of production, it follows that any deficit shown upon the Account arises not necessarily from the fact that the expenditure has exceeded the amount anticipated, but from the circumstance either that the claims of the Factories have not been wholly paid, as last year; or, as in the case of the present Account, that the Factories have incurred capital expenditure which has not been wholly covered by the prices charged for the articles manufactured; or, as may hereafter be the case, from the fact that the amount voted for capital charges in respect of permanent additions has been insufficient to meet the charges. Hence the deficits are, for the most part, of a more or less temporary character; and, to meet them in the same way as deficits on ordinary Votes are met, would be to vote money which sooner or later would have to be paid over to the Exchequer, a course manifestly undesirable.

See Mr. Forwood's Reply to Q. 1872, P.A.C. 1890.

The deficits on the Ordnance Factory Votes may therefore have to be dealt with in an exceptional manner. Last year, at the instance of the Treasury, your Committee agreed that the deficit on the 1888–89 Account should be charged against the accounting officer until it was realised; and they are inclined to think that it will be difficult to adopt any other course with regard to the deficit upon the present Account. The Comptroller and Auditor General has suggested that to charge the accountant with this deficit is not altogether a satisfactory mode of procedure, and that the absence of finality may be fairly considered as open to objection.

Fifth Report of P.A.C. 1890, par. 6.

He has also been much influenced by these considerations, as well as by the disarrangement of departmental finance arising from the inaccurate forecast of probable expenditure to which Mr. Forwood's evidence called attention last year, but more especially by the grave inconvenience which resulted from the late compilation of the Production Voucher. This has precluded, first, a proper examination on the part of the War Office and Admiralty of the Factory claims before they are charged as final expenditure against their Votes; and secondly, their subsequent examination by the Comptroller and Auditor General before he reported upon the Appropriation Accounts. Consequently, with a view to removing these difficulties, he has submitted to your Committee a Memorandum, in which he has suggested for consideration the advisability of making the Factories more distinctly a trading concern:—

Q. 1046.

(*a.*) By providing them with a fixed capital, at interest, in lieu of large and long outstanding imprests from Army and Navy Votes.

(*b.*) By placing the Factories in the position of a contracting firm, making articles under tender at a fixed price, which should exclude loss, and with stringent conditions as to date of delivery.

(*c.*) The present Ordnance Factory Vote to be a pure Token Vote, such as the Bankruptcy Vote now is, in order to maintain Parliamentary control over Salaries, &c.

(*d.*) The provision in Army and Navy Estimates to be for so many Guns, Carriages, Projectiles, &c., to be made by contractors, and so many and so much to be expended in procuring them from the Ordnance Factory, to be paid for on delivery in both cases.

Q. 1089 *et seq.*

Your Committee have taken some evidence on the subject of this proposed change from Sir Reginald Welby, the Permanent Secretary of the Treasury; and from Mr. Knox, the Accountant General of the Army, as well as from Sir Charles Ryan.

Q. 596, 1056.

Your Committee learn from Mr. Knox that confident hopes prevail in the War Office that the Production Voucher will in future be completed at a much earlier date, and that the

the forecasts of expenditure will be more accurate. Your Committee cannot judge how far these anticipations will be realised in practice. But should the evils, to which the Comptroller and Auditor General has called attention, not be speedily remedied, your Committee are convinced that some altered system would have to be introduced. At this stage, the changes which he has suggested in his Memorandum and which he has most usefully explained before your Committee, clearly deserve careful consideration by the Treasury and the Departments affected, but are not yet ripe for any expression of opinion on the part of your Committee.

Mode of accounting for Repayment Services of the Ordnance Factories.

23. Under an arrangement sanctioned by the Treasury, by way of experiment for one year, the amounts advanced to the Ordnance Factories by the War Office, Admiralty, India, and the Colonies, are carried to a special Account which has been opened in the Books of the War Office, instead of to a separate Account at the Office of the Paymaster General.

When the proper time arrives, the War Office intend to report to the Treasury the result of the experiment. The subject will, no doubt, be again referred to in the Comptroller and Auditor General's Report on the Account for 1890-91. Q. 1162-1163.

Issue of Army Funds to The Ordnance Factories, in anticipation of Vote.

24. It is hoped that the practice of making issues from Army Funds to the Ordnance Factories, before the Ordnance Factory Vote has received the sanction of the House of Commons, will cease with the Account for 1890-91. Your Committee observe that the Ordnance Factory Vote for 1891-92 was taken on the 17th March 1891, the War Office having acted upon the recommendations which were made upon this subject by the Committee of Public Accounts of 1890.

Suspense Account of Sums not received in 1888-89.

25. The evidence shows that the amounts outstanding in the Books of the War Office against India, the Colonies, and Contractors, &c., are in course of being satisfactorily cleared. Your Committee, however, regret to learn from the Report of the Comptroller and Auditor General that the "Suspense Account Sales" still remains at the same amount, viz., 1,343 *l.* 0 *s.* 4 *d.*, and they trust the War Office will take whatever steps are necessary to clear this Account. Q. 1170.

Payments for Increased Weight of Coal caused by Saturation.

26. The Comptroller and Auditor General has called attention to a case involving an additional payment of 20 *l.* 11 *s.* 3 *d.* to a contractor for coal, arising from the fact that, in the course of transit by barges, a supply of coals increased in weight to the extent of 35 tons, in consequence of being saturated with water.

It appears from the evidence that the contractor was, under the terms of his contract, entitled to be paid according to weight on delivery, and was paid accordingly. Your Committee are glad to learn, that arrangements have now been made to prevent such a loss of public money in future. Q. 1199.

ANNUAL ACCOUNTS OF THE ORDNANCE FACTORIES, 1889-90.

Outstanding Questions.

27. The six outstanding questions adverted to by the Comptroller and Auditor General in the 2nd paragraph of his Report, appear either to have been or to be still under the consideration of a Departmental Committee. This Committee has already

Q. 1226. reported upon two points, and the Director General of Ordnance Factories has stated in his evidence that the four remaining points will probably be reported on in about six Q. 1230. months; but that, in the meantime, improvements are being effected without waiting for the final Report.

Under these circumstances, your Committee are led to hope that all these outstanding questions will have been finally dealt with before the time arrives for the next Report of the Comptroller and Auditor General.

Royal Gun Factory.

Reserves of Piecework.

28. The Comptroller and Auditor General points out that, in the Turnery and Boring Mills, Reserves of Piecework, to the value of 961 *l.*, had been accumulated, and had been treated as a relief to current expenditure.

The circumstances under which these accumulations occurred have been satisQ. 1242-1245. factorily explained to your Committee, as arising from a system which has been abandoned. Under a different system, which has now been adopted, it is said to be impossible that similar accumulations can occur.

Incidence of Values of Steel Forgings found Defective.

29. Hitherto the values of steel forgings subsequently found to be defective have been charged under "Material" to the various Gun Orders for which the forgings were demanded.

Q. 1252. The Director General of the Ordnance Factories agrees in the criticism of the Comptroller and Auditor General, that these values might, as a general rule, be distributed more widely over "Orders" participating generally in the output of the Steel Forge; though, if the failure occurred in the forging of a specially high quality of steel, for a particular gun, the charge would go against the gun. He states, however, that such a case would be exceptional.

It appears that the rejected forgings of the Gun Factory amount to about 28 per cent. This high rate is explained by the fact that the steel making at the Factory is Q. 1255. very small, in consequence of an understanding with the trade as to non-competition.

Royal Small Arms Factory, Enfield.

30. Your Committee note with satisfaction that the suggestion of the Comptroller and Auditor General, that the time-keeper's records should be brought under the direct review of the Accounts Branch, has been adopted, as well as a further suggestion for an improved system of arriving at the values of semi-manufactured articles. They trust that the steps taken will have the effect of securing greater accuracy of account.

Building Works Department.

31. The serious weaknesses with regard to the allocation of labour to different items of work, and the necessity of more exact accounting in the Building Works Q. 1262. Department, to which attention has been called, are still under the consideration of the Q. 1263. Departmental Committee. But the Director General has stated that he thinks he sees his way to improvements which will probably satisfy the Comptroller and Auditor General. Your Committee trust that this will prove to be the case.

Balance Sheet.

Stocktaking.

32. The Comptroller and Auditor General has pointed out that the stocktaking at the Ordnance Factories now consists of a more or less continuous stocktaking, conducted on behalf of the Director General, who is himself responsible for the stores.

It

It appears, from the evidence, that three men are employed in examining and testing; but that the only stocktaking wholly independent of the factories contemplated by the War Office will be that effected by some officer to be sent down from time to time at their discretion. It appears to be doubtful whether such a system of stocktaking fulfils the conditions laid down by the Treasury Minute of the 15th of November 1886, which is referred to in the letter from the Audit Office of the 14th of May 1890. Q. 1274.

The Comptroller and Auditor General, having heard the evidence of the Accountant General and Director General, has replied in the affirmative to a question by the Committee, whether, under the circumstances as explained, he would press the importance of the independent stock-taking to which his Report points; and Mr. Knox has stated that this matter will be considered at the War Office. Q. 1285.

It appears to your Committee that this is a question which might also with advantage be considered by the Treasury.

Capital Account.

Special Plant for the Manufacture of the Magazine Rifle.

33. The amount brought to account for special plant manufactured for the production of the Magazine Rifle, namely 92,447 *l.* 16 *s.* 10½*d.*, is admittedly not the actual cost of the special plant, but the estimated cost, arrived at by the Director General of Ordnance Factories, after personal inquiry. Q. 1291.

Your Committee note this circumstance, because the amount charged to capital affects the cost of the rifle. If too much is charged to capital, the cost of the rifle is reduced, and *vice versâ*. Q. 1292–1293.

Variation in the allocation of similar Charges to Capital and Production respectively.

34. The apparent inconsistency of charging expenditure for similar articles sometimes to capital and sometimes to production, pointed out by the Comptroller and Auditor General, has been inquired into; and steps are being taken to meet his objections. Q. 1296.

The Director General of the Ordnance Factories states that there is every opportunity at the War Office to criticise the allocations as they are made.

Your Committee are, however, of opinion that, if possible, some guiding line should be adopted, to enable the Comptroller and Auditor General to judge of their propriety.

IMPERIAL DEFENCE ACT, 1888.

Ports and Coaling Stations Account, 1889–90.

35. The Second Schedule of the Imperial Defence Act, 1888, shows that it was contemplated that the entire expenditure under Part 2 of the Act would take place between the 1st of April 1888 and the 1st of April 1891. The question therefore arose whether expenditure subsequent to the 31st of March 1891 could legally be incurred under the provisions of the Act. 51 & 52 Vict. c. 32.

Your Committee have been informed, that an opinion of the Law Officers of the Crown has been obtained that expenditure after that date was not illegal, and the expenditure is consequently still going on.

It appears from the evidence of the Accountant General of the Army that the expenditure will probably be spread over a period of five years, instead of over the period of three years contemplated in the Schedule to the Act.

STORE ACCOUNTS OF THE ARMY, 1889–90.

Surpluses of Stores Set-off against Deficiencies.

36. It has been explained that the War Office action of setting-off surpluses against deficiencies, when a change takes place in the Ordnance Store Officers who have charge of the Stores, only takes place after the receipt of reports upon each item on which there is a discrepancy; and that the allowances are then made by the Secretary of State in Q. 1347–1351.

the exercise of his discretion. The explanation appears to your Committee to be satisfactory; but they are of opinion that it is desirable that the Comptroller and Auditor General should continue to state the facts of any particular allowances which he may think of sufficient importance for notice in his Reports on the Accounts.

ARMY (CLOTHING FACTORY), 1889–90.

Q. 1361–3. 37. The Comptroller and Auditor General points out that the Clothing Factory is not on the same self-supporting basis as the other Army Factories; and that the Accounts merely set out the statistical results of manufacturing operations for which provision is made in Army Votes. Your Committee consider that attention should be called in their Report to this difference between these Army Manufacturing Accounts.

Balance Sheet.

38. The Director of Clothing has handed in to your Committee a statement explanatory of the differences between the figures shown in the Appropriation Account and Balance Sheet respectively, under "Wages and Materials." It is admitted that this explanation should have appeared on the Account, and it is promised that this course will be followed in future.

Q. 1364–6.

Appendix, No. 2.

Production Statement.

39. The criticism of the Comptroller and Auditor General, that the "direct" charges, which include the pay of viewers, cutters, tailor soldiers, trimmers, cap makers, and boys, have all been classified under the unqualified description of "cutting," has been admitted, and the Director of Clothing has stated that, it is, in future, intended to show in the Account the actual cost of "cutting" and "viewing" separately.

Q. 1379–82.

Q. 1379.

STORE ACCOUNTS OF THE NAVY, 1889–90.

Condemnation of Masts at Malta.

Public Accounts Committee, 4th Report, 1890, par. 24. 40. Last year the Public Accounts Committee noticed cases in which masts and boiler-tubes sent to Malta were condemned. Their attention is again this year called by the Comptroller and Auditor General to a similar case, involving a loss of 900 *l.*, a large number of Riga hand masts which had been sent out in 1885, having been condemned. The explanation appears to be, first, that as a matter of experience at Malta, it had not been found necessary to take the ordinary precaution of covering the masts with paint; and secondly, that at the time of the arrival of the stores, war was expected, and so much extra trouble was thrown upon the Dockyard, and that labour was probably not available for the purpose.

Q. 1394.

Q. 1396. It is satisfactory to learn that arrangements have been made for building a suitable covered shed; and it is, therefore, hoped that such losses will not occur again. Seeing that condemnations at Malta have more than once called for remark on the part of the Comptroller and Auditor General, and have not been confined to this particular kind of Store, your Committee trust that every effort will, in future, be made not only to comply with the regulations which require that all stores sent out to any establishment abroad should be the best of their kind; but also to ensure due care of stores received at the Malta Dockyard.

Stores laid apart for the use of Mercantile Auxiliaries.

41. At the date of his Report, the Comptroller and Auditor General had received no reply to his inquiries whether the Stores laid apart for the use of Mercantile Auxiliaries were the subject of periodical survey. Your Committee have been informed that this stock has been taken at Portsmouth and Devonport, but not at Chatham; and that it is intended to have periodical surveys, as suggested by the Comptroller and Auditor General. In the opinion of your Committee, it is important that such surveys should be made with the utmost regularity, having regard to the special service for which the stores are set apart.

Q. 1399.

42. Under

Store Accounts, Victualling Yards.

42. Under the Regulations, unserviceable stores ought to be sold by public auction, and not to be delivered to the purchaser until he has paid for them in full; and the Comptroller and Auditor General calls attention to a case at Sydney, when, although advertisements are stated to have been inserted in the papers, condemned biscuit was sold by private treaty, and the purchaser was allowed to remove the biscuit from the yard without first paying for it. He subsequently became bankrupt, and the value of the biscuit was lost to the Crown. Your Committee have received a written explanation from Mr. H. R. Yorke, the Director of Victualling, which will be found in the Appendix; Appendix, No. 3. and which your Committee consider may be accepted.

Naval Store Accounts of Her Majesty's Ships.

43. The Comptroller and Auditor General has called attention to the unsatisfactory character of a coaling account of one of the Torpedo Boats. The Director of Stores has stated to your Committee that it is almost impossible to get the Torpedo Boats to keep Q. 1465. an accurate account at all; and so much so is this the case, that the Admiralty "have "adopted a system of inspecting their accounts, and making out their accounts imme- "diately they come in by officers outside the boats altogether."

It is to be hoped that this plan may have the effect of securing greater accuracy.

Transport Store Accounts.

44. The practice of supplying pilots on board the Troop Ships in the Suez Canal Q. 1409. with dinner and after-dinner-claret, marsala, port, and various kinds of spirits should, your Committee think, be the subject of a Special Regulation. It appears that these pilots are, in this respect, on a different footing to pilots elsewhere.

DOCKYARD EXPENSE AND MANUFACTURING ACCOUNTS, 1889–1890.

Complete Test Examination of Home Dockyards in 1889-90.

45. Your Committee are glad to learn that this year, for the first time, the Expense Q. 1412. and Manufacturing Accounts of all the Home Dockyards have been subjected to a test examination. There remains still the extension to the Foreign Yards, which your Committee understand, from paragraph 12 of the Comptroller and Auditor General's Report, to be now under consideration.

Outstanding Questions.

46. The several questions outstanding from last year seem to be approaching settlement. The Comptroller and Auditor General has not yet had an opportunity of Q. 1413. considering the recent instructions with regard to the Naval Stores laid apart in the custody of the Captain of the Steam Reserve, but will report upon the matter on a future occasion.

Labour-Tonnage.

47. The Comptroller and Auditor General, in his Report, criticises somewhat severely the system which has hitherto prevailed for payment of labour according to the amount of tonnage built into the ships at the dockyards. The Admiralty admit that the system Q. 1416. is not at present satisfactory.

Your Committee hope that the plan of payment by piece-work, if continued, will be found susceptible of being placed, as anticipated, on a sound footing.

Task and Job (Piece-work).

48. With regard to what is termed task and job (piece-work), your Committee are informed that, since November 1889, a system of independent check has been adopted Q. 1418. which may prevent a repetition of the irregularities which have been brought to notice.

 49. Your

49. Your Committee are also informed that it is under consideration to adopt a system of dealing with task and job measurements by which an independence of record may be secured.

Coals issued on Repayment.

Q. 1424. 50. Your Committee are glad to learn that, for the future, a system has been established by which the actual cost of coal will be charged against the War Department and India, although it has not been found practicable to make recoveries in respect of coals issued at inadequate rates in the past.

Stock Valuation.

51. Your Committee consider that it is essential to the utility of the Stock Valuation Account that frequent and independent comparisons should be made of the state of
Q. 1428. items of stock as shown by the Value and Quantity Records respectively, and are of opinion that arrangements should be made for a sufficient test in this respect.

Delay in rendering Annual Accounts.

Q. 1451. 52. Your Committee are of opinion that there has been undue delay in the rendering of the Expense Accounts to the Comptroller and Auditor General, and trust that, as regards 1890-91, the dates fixed by statute in this respect will be duly observed.

NAVAL DEFENCE ACT.—ACCOUNTS, 1889-90.

Delay in rendering Annual Accounts.

Q. 1459. 53. Your Committee consider that the delay in rendering the Naval Defence Account is to be regretted. They cannot think that there need be any difficulty in rendering this Account at a much earlier date.

Estimate of Ships Building under the Act.

Q. 1462. 54. It is admitted by the Admiralty that the precise terms of Section 4 of the Naval Defence Act were not observed in regard to the Estimates for Ships Building; but it is pleaded that compliance with this provision of the Act was impossible in the first year.

Your Committee are assured that the red-ink figures given in the Estimate in the Account now under consideration may be considered as final.

Vessels to be built by Contract; Torpedo Tubes.

Q. 1465. 55. Your Committee see no reason to question the decision come to by the Treasury, that, although made in the Dockyards, the expenditure for Torpedo Tubes was a proper charge against the Contract Fund of 10,000,000 *l.*

Inspection of Contract Work.

Q. 1468. 56. It appears to be a question open to doubt, whether the Inspection of Contract Work is an Establishment Charge within the meaning of the Act; and, as such, inadmissible. On the whole, your Committee see no reason to disagree with the compromise arrived at by the Treasury.

Armaments, &c.

Q. 1470. 57. A more serious question arises with regard to the distribution of the armaments now being manufactured at the ordnance factories. On behalf of the Admiralty, the Accountant General stated that the Admiralty has no control over this expenditure, but that the War Office has been requested to keep separate accounts.

Your Committee trust that proper measures will be taken for complying with the provisions of the Act.

VICTUALLING YARD MANUFACTURING ACCOUNTS, 1889-90.

Difficulties arising from the Late Delivery of Accounts for Audit.

58. Your Committee are assured that the proper date for rendering the Victualling Manufacturing Accounts for audit will be observed in future years. Q. 1489. Q. 1496.

Outstanding Questions.

59. The questions with regard to extending the scope of the Victualling Manufacturing Accounts, so as to cover the main lines of "Expense" under Vote 2 of the Navy, and upon the inclusion of repair-operations in the Conversion Balance Sheets each year, are still unsettled. Q. 1499. Q. 1501. Q. 1510.

It is hoped that an early decision will be arrived at on these points by the Admiralty and Treasury, before the Accounts for 1890–91 are prepared. Q. 1511.

Inadequacy of Explanations with regard to Differences in Manufacturing Results.

60. Your Committee are informed that certain explanations have been given to the Comptroller and Auditor General with regard to differences under "Labour," "Special Supervision," &c., at the various Victualling Yards in connection with Manufactures, but they have not altogether satisfied him. Q. 1519-152

The matter will come under consideration in dealing with the Accounts of 1890-91

23 *July* 1891.

PROCEEDINGS OF THE COMMITTEE.

Wednesday, 8th July, 1891.

MEMBERS PRESENT:

In the absence of the Chairman, Mr. SALT took the Chair.

Mr. Webb.	Mr. Wodehouse.
Sir John Lubbock.	Mr. Crawford.
Mr. Jackson.	Mr. Arthur O'Connor.
Sir Richard Temple.	

The Navy Dockyard Expense Accounts, 1889–90, the Naval Defence Act, 1889, Account, 1889–90, the Navy Victualling Yard Manufacturing Accounts, 1889–90, were considered.

Mr. *Gordon Miller*, Mr. *Richard Mills*, Mr. *Bromley*, Sir *Gerald FitzGerald*, K.C.M.G., Mr. *G. L. Ryder*, C.B., and Mr. *H. R. Yorke*, were examined.

[Adjourned till Wednesday, 22nd July, at Two o'clock.

Wednesday, 22nd July, 1891.

MEMBERS PRESENT:

Sir UGHTRED KAY-SHUTTLEWORTH in the Chair.

Sir Richard Temple.	Mr. Arthur O'Connor.
Mr. Barran.	Mr. Webb.
Mr. Wodehouse.	Sir John Lubbock.
Mr. Crawford.	

DRAFT THIRD REPORT proposed by the *Chairman*, read the first and second time, and *agreed to.*

Question, That this Report be the Third Report of the Committee to the House,—put, and *agreed to.*

Ordered, To Report, together with Minutes of Evidence, and an Appendix.

MINUTES OF EVIDENCE.

LIST OF WITNESSES.

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Wednesday, 15*th April* 1891.

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Wednesday, 22*nd April* 1891.

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MINUTES OF EVIDENCE.

Wednesday, 15th April 1891.

MEMBERS PRESENT:

Mr. Barran.
Mr. Sydney Buxton.
Mr. Crawford.
Mr. Jackson.
Sir Ughtred Kay-Shuttleworth.
Sir John Lubbock.
Mr. Arthur O'Connor.
Sir Richard Temple.
Mr. Webb.

SIR UGHTRED KAY-SHUTTLEWORTH, BART., IN THE CHAIR.

ARMY APPROPRIATION ACCOUNT, 1889–90.

Sir CHARLES LISTER RYAN, K.C.B., Mr. GEORGE L. RYDER, C.B., and Mr. STEPHEN EDWARD SPRING-RICE, called in; and Examined.

Mr. RALPH HENRY KNOX, C.B., called in; and Examined.

INDIAN HOME EFFECTIVE CHARGES.

Chairman.

546. (To Mr. *Ryder.*) WE are informed by the Comptroller and Auditor General that no agreement has been come to as to the basis upon which the Indian Home Effective Charges shall be settled with the Government of India for the year subsequent to the 31st of March 1887; can you inform the Committee of the cause of the delay?—I think the delay is due to the Treasury not having yet asked Lord Northbrook's Committee to adjudicate upon the years subsequent to 1886–87. The reason why the Treasury has not yet made this reference to the Committee, I believe to be that the War Department has been revising the basis of their claims at the request of the Treasury. If I am rightly informed, that revision is now complete, and the claims have been sent into the India Office (Mr. Knox can correct me if I am wrong upon that point), and all that is now necessary is that the Treasury should write to Lord Northbrook, and ask that those claims should be taken into consideration. There are certain subsidiary questions which the Treasury will have to settle, and which make it a little difficult for the Treasury to make up its mind; but I hope that very soon the Treasury will make a communication to Lord Northbrook upon the point.

547. (To Mr. *Knox.*) Is there anything that you wish to say upon this point?—No; I think the Committee has not entered upon the consideration of these claims for the reasons mentioned by Mr. Ryder. I think the main cause of delay has been that the India Office, when the last claim was made, referred the claim out to the Indian Government, which was a novel proceeding; and the Indian Government have raised very large questions upon the subject, which involve some consideration before the subsequent claims can be taken up.

ARREAR CLAIM ON THE INDIAN GOVERNMENT.

Chairman.

548. (To Mr. *Ryder.*) Has the Treasury come to any decision as regards the arrear claim on the Indian Government for time at hospitals other than Netley?—The Treasury has sanctioned the abandonment of the claim, but has asked the War Department to make a record of it in case the Indian Government should make claims, against which this claim might be fairly set off.

549. I suppose that decision will be communicated to the Comptroller and Auditor General?—It will be, certainly.

On VOTE 1.

INCLUSION IN ACCOUNT OF ACTUAL PAYMENTS ONLY.

Chairman.

550. (To Sir *C. L. Ryan.*) The Committee had before it last year the subject of the importance of including in the Account actual payments only, and you report that you made some inquiries at the barracks of the Royal Marine Artillery at Eastney, which led you to make a certain suggestion to the Treasury; has any subsequent settlement of the mode of keeping those accounts, so as to bring into account actual payments only, been arrived at?—Yes; subsequent to the date of this Report I have been furnished with a correspondence by the Treasury, and if the Committee will allow me I will read a letter dated the 19th of February, which closes the correspondence. The letter is very short, and it will put the Committee in possession of the state of the case: "Sir,—With reference to Mr. Phillips's letter of the 14th instant, I am directed by the Lords Commissioners of Her

ARMY APPROPRIATION ACCOUNT.

Vote 1.—Inclusion in Account of Actual Payments only—*continued.*

Chairman—continued.

Majesty's Treasury to acquaint you that my Lords have informed the War Office that they are prepared to agree to the compromise suggested by the Secretary of State for War for meeting the wishes of the Public Accounts Committee in regard to the exclusion from the Army Appropriation Account of sums due but not paid to soldiers, so far as possible without undue inconvenience, and have accordingly requested that the aggregate of the balances due to the soldiers, as shown by each Troop Battery or Company Account for the month of March, may be credited in the books of the War Office, to Vote 1, Regimental Pay, and be re-charged under the same head of service when brought forward into the April pay lists."

551. That decision entirely meets your view?—I think it does.

RECEIPTED PAY LISTS.

Chairman.

552. (To Sir *C. L. Ryan.*) Since the subject of the receipted pay lists was before this Committee last year, I think you have had opportunities of seeing a certain number of those duplicate pay lists, and you have been well satisfied with your examination of them?—That is so.

553. Are you satisfied with the plan on which the new duplicate pay lists will be open for your examination?—Yes, I think it will be desirable that I should look at those which have signatures in future, but I am satisfied with them as they stand.

PAYMENT OF FULL PAY TO AN OFFICER FOR THREE YEARS' ABSENCE FROM DUTY.

Chairman.

554. (To Mr. *Ryder.*) I see that the Treasury went into the question of the full pay granted to Lieutenant Stairs during his three years' absence with Mr. Stanley on the expedition in Africa; and although the Treasury cannot say that the payment is in contravention of any provision of the pay warrant, or that it certainly required Treasury sanction, they think the circumstances sufficiently exceptional to have justified the Comptroller and Auditor General in calling attention to the case?—That was the Treasury view: that the Secretary of State may have a certain power, but may make an extraordinary or questionable use of it, and in such a case the Comptroller and Auditor General is right in drawing attention to the case.

555. In this case nothing more remains to be done, owing to the Treasury having come to the conclusion that, on the whole, the Secretary of State acted in the exercise of his powers?—Yes.

556. (To Sir *C. L. Ryan.*) I suppose under those circumstances you would not desire to press this point any further?—No, I think it is admitted that it is a point which I properly

ARMY APPROPRIATION ACCOUNT.

Vote 1.—Payment of Full Pay, &c.—*continued.*

Chairman—continued.

raised, and that I was only acting within my function in so raising it.

Mr. *Barran.*

557. The Chairman asked whether the Secretary of State might be considered to have acted within his power; is that your view of the case?—My view of the case was that it did not fall strictly for me to decide whether he was acting within his power or not; but in any case he was taking a very wide view of what his powers were, and so wide a view that I, in my responsibility to Parliament, could not possibly pass the payment without drawing attention to it.

558. You drew attention to it simply in consequence of your having a doubt as to whether he had the power to grant the full pay during three years' absence?—Yes, it is a financial point, and therefore it was one which I thought ought I to question.

OVERPAYMENT OF ALLOWANCE TO REGIMENTAL AGENTS.

Chairman.

559. (To Mr. *Ryder.*) As regards this case of the waiving of a claim to arrears amounting to 294 *l.* 5 *s.*, which seems to have been an overpayment of an allowance to regimental agents, the opinion of the Treasury seems to be that to waive the claim was *ultra vires*, and that the question ought to have been submitted to the Treasury for their sanction, amongst other claims to be abandoned?—That was the Treasury view.

560. But the circumstances were such that the Treasury did not insist upon the recovery of this amount from the agents?—The Secretary of State had already committed himself completely to waiving the claim, and the Treasury did not think it necessary to ask him to undo what he had so completely done already.

561. (To Mr. *Knox.*) I suppose it is admitted that the Secretary of State should have obtained the sanction of the Treasury before waiving this claim?—I think it would have been better if the case had been submitted to the Treasury.

Mr. *Arthur O'Connor.*

562. (To Sir *C. L. Ryan.*) What were the warrants which you looked through in regard to this question of allowance to regimental agents?—I did not look at the question as one of warrant, but as one of the general power of the Treasury; that is to say, that no sums are allowed to be waived, which are due to the public by the consent of the Department alone without the consent of the Treasury. It was not so much a question of the terms of the warrant, in my opinion, as a question of the financial power of the Treasury as the supreme Department.

563. I suppose if a charge of this kind is covered by the warrant you would not challenge it?—I should not have challenged it, of course, if it was a proper payment.

15 *April* 1891.] Sir C. L. Ryan, K.C.B., Mr. Ryder, C.B, Mr. Spring-Rice, and Mr. Knox, C.B. [*Continued.*

Army Appropriation Account.

Allowances to Agents of the Foot Guards.

Chairman.

564. (To Mr. *Knox.*) With respect to allowances for postage and stationery which appear in the Agency Accounts of the Foot Guards, the Comptroller and Auditor General calls our attention to the long continuance of a temporary arrangement by which these allowances, although unsanctioned by Royal Warrant, are still paid to those agents; has that matter been considered by the War Office, and is there any intention of regularising those allowances?—Yes; the question of the system of payment of the Guards regiments has been under consideration for some time. We contemplated at one time appointing paymasters to those regiments as in the case of other regiments; for I may explain that Messrs. Cox have not only been the agents of the Guards, but they have been the paymasters of the Guards. However, the whole question of agency has been under consideration recently, and it has been decided that Messrs. Cox shall continue to be entrusted with the duties of paymasters of the regiment, as they have been hitherto. Under those circumstances it is proposed to regularise these payments and to continue Messrs. Cox as paymasters to these regiments.

565. (To Sir *C. L. Ryan.*) That is the point, I understand, to which this paragraph in your Report is directed; you desire that these allowances should be regularised if they were to continue?—Yes.

Mr. *Arthur O'Connor.*

566. (To Mr. *Knox.*) Have not these charges been regular all through?—They have been rather habitual than regular. They were granted under old regulations that are now obsolete, but they were continued to Messrs. Cox in the somewhat anomalous position which they hold. No recent regulations contain any authority for the payment of these sums.

567. Were not those charges which used to be in the old stock purse fund of the Guards?—Not the charges for postage and stationery; they were outside them.

568. At any rate they were allowances which as far back as official memory goes, I suppose, were precisely on the same footing as all other similar charges?—Yes.

569. There has been nothing occurring to cause any alteration?—No; but as they were not re-inserted in any recent regulations and warrants, and it was the authority under those regulations or warrants which the Comptroller and Auditor General sought, because all these recent regulations for allowances were supposed to pick up everything that was to be continued; but the regulations did not pick this up, because it was thought very likely to be discontinued before very long.

Army Appropriation Account.

On Vote 9.

Over-payment for Freight in 1888–9.

Chairman.

570. (To Mr. *Knox.*) I am glad to observe that part at least of the over-payment for freight which was under the consideration of this Committee last year, and which was regarded as almost irrecoverable, has been recovered?—Yes, that is so.

571. £. 10. 16 *s.* 9 *d.* has been recovered, but a balance of 16 *l.* 5 *s.* 3 *d.* has been written off with the sanction of the Treasury?—That is so.

On Vote 10.

Recovery of an Over-payment of Tobacco Duty made to the Egyptian Government.

Chairman.

572. (To Sir *C. L. Ryan.*) I think it was a discovery of yours under which the recovery of an over-payment of tobacco duty made to the Egyptian Government to the amount of 362 *l.* 10 *s.* 3 *d.* was made?—I think we may claim the merit of the discovery.

573. (To Mr. *Knox.*) How came it that such a matter could escape notice in the War Office?—I cannot say, except *humanum est errare.* Homer nods occasionally. This was a peculiar case. A claim was made by the Egyptian Government just at the time when the rate of duty was altered, and this arrear claim was examined by a gentleman in the office, and he thought it was a claim under the rate which had been habitually passed for some time subsequently. It was found that the tobacco was landed on the 30th March 1885, that is 12 days before the increase of the duty. That escaped attention, and so the double sum was passed.

On Vote 11.

Sub-Head G.—Materials obtained by Contract.

Loss of a Bale of Cloth in the Clothing Department.

Chairman.

574. (To Mr. *Knox.*) The Comptroller and Auditor General makes some remarks upon the loss of a bale of cloth in the Clothing Department, and he again suggests whether further measures for safe-guarding goods before they are finally taken in charge by the storekeeper, or pending their return to the consignees, are not desirable in the public interest?—I do not think that this case shows that any change of system would have prevented an occurrence of this character, and certainly this did not prevent the bringing home the responsibility for the loss to the persons who were really responsible. The responsibility was no doubt brought home to three men, and they were all of them severely punished, one of them, in fact, having been dismissed. It would not require any change in

Army Appropriation Account.

Vote 11.—Loss of a Bale of Cloth in the Clothing Department—*continued.*

Chairman—continued.

the system of account to bring the responsibility more clearly home than the present system does, if that were thought necessary.

575. (To Mr. *Ryder.*) Have the Treasury any suggestion to make upon this point?—The Treasury made a suggestion to the War Department, the object of which was to relieve the departmental officers of the responsibility for rejected goods after a certain time had elapsed. They suggested that notice should be given to the contractor of the rejection of his goods, and that he should be told that if he did not remove them in a certain short time they would be left in the yard or storehouse at his risk.

576. (To Mr. *Knox.*) Would not that be a practical improvement?—Our contractors are informed from time to time of the rejection of their goods, and I think that due care is taken that they should be cleared off the premises as soon as possible: but whether a rigid system could be laid down in that way, that after a certain time, as a matter of course, each contractor should be informed, I really cannot say. I am afraid there would be difficulties in the way of carrying it out. What we particularly wish to avoid is having to keep an account of these goods as was suggested. If the system has been found lax (which this case does not prove at all) as regards communicating with the contractors whose goods are rejected, I have no doubt it will be improved.

577. (To Sir *C. L. Ryan.*) Would you like to explain your view to the Committee on this point?—No, I think not; I do not think it rests with me to make suggestions as to how the precaution should be taken, but merely to point out a case which seems to lead to the necessity of further precautions being taken. I was not aware of the Treasury suggestion to which Mr. Ryder has just referred, but I cannot help thinking that something is wanted to divest the Department of this responsibility which is an equitable one, even if it is not a legal one as this case seems to show.

Mr. *Barran.*

578. (To Mr. *Knox.*) It is stated in this paragraph of the Comptroller and Auditor General's Report that these goods were rejected "without examination"; may I ask for some little explanation as to that?— What is meant, I presume, is that they were not thoroughly examined; they were not examined in detail; that is to say, they were set aside at once as not coming within the contract; they were rejected as being found not to comply with the general requirements of the contract. They had undergone some examination, of course.

579. May I make a suggestion, which, I think, would get over this difficulty. Would it not be better, when goods are rejected, to write to the

Army Appropriation Account.

Vote 11.—Loss of a Bale of Cloth in the Clothing Department—*continued.*

Mr. *Barran*—continued.

contractor to say that unless he sends for the goods within a certain time they will be delivered to him at his expense, so as to get them off the premises as speedily as possible?—That is practically the suggestion which the Treasury make, and I believe that is the system which is followed; but whether the contractors are written to sufficiently promptly, and informed of the rejection of the goods I cannot say; but I will inquire into that.

Mr. *Arthur O'Connor.*

580. You say that three officials were reprimanded or punished in connection with this business; for what particular offence connected with this matter were they punished?—It was held that, inasmuch as this bale disappeared, which was in their custody, they were responsible.

581. Then what became of the bale, in the view of the War Office?—Nobody knows.

582. Is it suggested that it was stolen?—It has disappeared, and no one can say.

583. If it was stolen, is it suggested it was stolen with the collusion of these three officials?—We cannot say.

584. But one man, you say, has been dismissed?—One man has been dismissed.

585. (To Mr. *Ryder.*) I should like to ask the representative of the Treasury whether the Treasury still consider that the War Department is in the position of gratuitous bailees; surely the relation is not one of bailment at all, but it is a contractual relation. The contractor, as his very name shows, starts as a contractor; he supplies you with goods on the condition that if you keep the whole or part of them you are to pay for the whole or part of them, and also on the condition that if you are going to pay for some of them you are to cause the goods to be returned?—I think that was the feeling of the Treasury, that the Department was responsible for the goods until they had written to the contractor and told him that their responsibility ended and that he must remove the goods.

586. Had they done that in this case?—Apparently they had not.

587. Then they were not gratuitous bailees in any sense?—No.

Sir *John Lubbock.*

588. (To Sir *C. L. Ryan.*) With regard to the statement in this paragraph that these goods had been rejected without examination, it appears that there was a general examination, as I understand, although not a particular one; did you intend to lay any stress upon that point, or do you accept the explanation which has been offered?—Certainly I accept it. It may be that the language of the report is not strictly accurate on that point. I cannot answer as to that.

15 *April* 1891.] Sir C. L. Ryan, K.C.B., Mr. Ryder, C.B., Mr. Spring-Rice, and Mr. Knox, C.B. [*Continued.*

Army Appropriation Account.

Vote 11—*continued.*

Appropriations in Aid.

Charges for Inspection of Garments, &c., for the Metropolitan Police.

Chairman.

589. (To Mr. *Knox.*) It seems that the charge for inspection of garments for the Metropolitan Police is based simply on the number of articles approved, and not on the number of articles examined and inspected; what is the reason for that arrangement?—It is a more easy and convenient arrangement, having ascertained what the fair payment made for the viewing should be, to divide it over those goods which are brought to account as it were and recorded rather than over all the goods examined. It is only the divisor which varies.

590. Are the inspectors paid according to the amount of the charges for inspection?—No, they are paid generally as part of the establishment.

591. So that they have no interest in passing an article?—No.

592. Otherwise it would seem that to charge only on the number approved would be something like putting a premium on passing the articles?—It would be.

593. But the system is not open to that objection, you think?—Certainly not.

594. (To Sir *C. L. Ryan.*) Do you desire to say anything further upon this system?—I think not; I think what Mr. Knox has said has rather removed the objection taken.

Mr. *Jackson.*

595. (To Mr. *Knox.*) I suppose in a case like this, if you had a number of bales of any kind of goods, it is quite possible that the first examination of a portion having resulted in the rejection, we will say; of some of the bales, it might be that the particular bale that was lost had not actually been examined at all?—That might be so.

On Vote 12.

Chairman.

596. (To Mr. *Knox.*) I observe that the Comptroller and Auditor General has been obliged to reserve his certificate of the correctness of the charge of 961,000 *l.* in respect of the productions of the Ordnance Factories, in consequence of the lateness of rendering the production vouchers; may I ask what the reason is why the production vouchers arrived so late?—It arose from the difficulty of carrying out the changes which we thought desirable in the Ordnance Factories. Of course, as the Committee know, there is a Departmental Committee sitting which is examining all these matters. I conversed with some of the Members of the Committee a couple of days since, and I gather that the Committee hope to be able to bring down the period within which these production vouchers will be produced in future years to about three months after the conclusion of the

Army Appropriation Account.

Vote 12—*continued.*

Chairman—continued.

financial year. They think that by the arrangement which they are about to propose (a portion of which they have already submitted), they will be able to produce these production vouchers some time in July. But in order to carry that out, considerable change is involved in the system which has obtained hitherto, which, of course, has existed for quite a different purpose from that it now serves. Many of the changes have been inaugurated on the 1st of this month, and I should hope that for this year's expenditure the account will be rendered in as short a time as they hope.

597. That is to say, the production vouchers may be expected in July?—In July next year.

598. (To Sir *C. L. Ryan.*) Would that meet your views; of course, July would be a very different thing to November?—Of course it would be an immense improvement.

Apparent Double Charge to Vote 12 through Production Voucher.

Chairman.

599. (To Sir *C. L. Ryan.*) You seem to have discovered that a sum of 1,834 *l.* 9 *s.* 10 *d.* has been twice charged against Vote 12?—Yes, I think that is so.

600. (To Mr. *Knox.*) Can you explain to the Committee how that arises?—It was from a want of a thorough comprehension of the new system on the part of the officer in charge of this particular expenditure, that this error, I think, arose. This charge should come through this production voucher, but he made a separate claim on behalf of this expenditure, as though it were not to come through the production voucher, it was that which really was the erroneous proceeding, and not the fact that the charge was made through the production voucher.

601. (To Sir *C. L. Ryan.*) I see by paragraph 40 of the Report that you propose that the account should be corrected by the deduction of one of those sums?—Yes. (Mr. *Knox.*) There is a corresponding credit; there was both a double charge and a double credit which would have to be cancelled; we discovered it just before the close of the account, but unfortunately it was too late then to make the correction.

Insufficient Explanation of Difference between Estimate and Expenditure.

Chairman.

602. (To Mr. *Knox.*) Does it not seem that the explanation given at page 43 of the Appropriation Account, of the deficit of 870 *l.* and odd as being due to "casual difference," is an insufficient explanation, under the circumstances which the Explanatory Paper at page 104 discloses?—Yes; I cannot help thinking that it would have been better to have enlarged the explanation.

 603. (To

ARMY APPROPRIATION ACCOUNT.

Vote 12.—Insufficient Explanation of Difference, &c.—*continued.*

Chairman—continued.

603. (To Mr. *Ryder.*) The question arises here, whether in this case it might not be better to have further details in Part 2 of the Estimate; has that question been considered by the Treasury?—It is dealt with in one paragraph of the Treasury Minute of the 10th January 1891. The Treasury concluded that it was not the wish of the Committee that the sub-heads in Part 2 should be increased, provided that the details of Part 3 continued to be verified by the Comptroller and Auditor General.

604. (To Sir *C. L. Ryan.*) I suppose they do continue to be so verified?—Yes.

605. Under those circumstances it is not important that they should appear in Part 2; but it is very important that no misleading statement of this kind should appear in the explanation of a comparatively small deficit?—I think certainly it would be better not to lump the savings and deficiencies together and then give an explanation referring only to a small item, as has been done here. (Mr. *Knox.*) It will be observed that all these items on page 104 are very much the same, gunpowder, gun cartridges, fuzes, and tubes, quick-firing gun ammunition, small arm and machine gun ammunition; and, as the Committee know, it is very difficult to regulate the delivery of those articles from the contractors and elsewhere, and if we find that one supply is slackening, or is likely to disappoint us, we press forward as far as we can to get supplies under cognate heads under the same general Sub-Head.

APPROPRIATIONS-IN-AID.

Chairman.

606. (To Mr. *Knox.*) There seems to be a similar want of clear explanation with respect to the difference between the estimated and realised Appropriations-in-Aid. It is stated that "more money was realised under Repayment Services than was expected;" but, as the Comptroller and Auditor General points out, that explanation by no means covers the whole ground; I presume you would admit that?—That is so. There were variations; that is to say, under the different heads under which we obtained receipts. We received less from the Navy on account of inspection than was anticipated, the item put into the Estimates being really pure approximation; we had no experience on which to form an Estimate.

607. In the case of India and the Colonies you seem to have received out of 25,000 *l.* only 70 *l.*?—Yes; that is so, on account of inspections which came in course of payment that year.

608. The Comptroller and Auditor General draws particular attention to this point, because there were grounds for the belief that the discrepancy was due to the fact that the claims for the cost of inspection and proof of stores made at the Ordnance Factories were still unpresented

ARMY APPROPRIATION ACCOUNT.

Vote 12.—Appropriations-in-Aid—*continued.*

Chairman—continued.

in regard not only to the year 1889 90, but also to the year 1888–89; is that so?—That is so. It had not been determined upon what basis the claim should be made for inspection against the Indian Government and the Colonies.

609. Has such a settlement now been reached?—Yes.

610. And there will be no longer any delay from that cause?—No.

611. (To Sir *C. L. Ryan.*) That, I presume, meets your point, that the matter calls for an early settlement?—Yes. I might add to what Mr. Knox has said that a War Office letter of the date of the 14th March last informs me that: "Claims for the services of this nature rendered in 1888-89, and 1889-90 are in course of preparation and will be put forward at once. They will be framed on the basis of actual costs as shown by the Accounts of the Inspection Department." which shows the basis as now settled.

RECEIPTS FROM THE NAVY FOR INSPECTION SERVICES.

Mr. *Arthur O'Connor.*

612. (To Sir *C. L. Ryan.*) Have any answers been received from the War Office with regard to the subject matter of this paragraph?—Yes; but I think perhaps it would be more satisfactory if the Committee would take this as part of the Navy Account, upon which it really arises.

613. You are, as I understand, withholding your certificate from the items in the War Office Account?—Yes; I have also withheld it, as the Committee will observe, in the case of the Army. I thought that although I have something to say on the question of the examination of the Production Vouchers, it would come more regularly when the Committee take up the Ordnance Factories Accounts, with which it is very much involved, it being rather a side issue here. It must come up in the Navy Accounts.

CREDITS FOR VALUE OF SALTPETRE AND GUNSTOCKS.

Chairman.

614. (To Mr. *Knox.*) It was stated in the Comptroller and Auditor General's Report on the Army Appropriation Account which was before us last year, on the authority of the War Office, that the question as to how Imperial Stocks are to be treated in future was then still under discussion; how does that matter stand now?—The Secretary of State has before him now the recommendation that they shall form part of the stock of the Director General of Ordnance Factories, but he has not yet come to a final decision about it because the method of transfer is now under consideration.

615. (To

ARMY APPROPRIATION ACCOUNT.

Vote 12—*continued.*

APPROPRIATIONS-IN-AID.

FINE ON CONTRACTS.

Mr. *Arthur O'Connor.*

615. (To Mr. *Knox.*) I observe here a fine of 1,500 *l.* described as "fine on contracts:" that sum of 1,500 *l.* is made up of payments of commission shown by the books of the Birmingham Metal Company to have been on their behalf to three men (who have now been dismissed) during their employment at the Royal Laboratory at Woolwich: the men, I presume, were dismissed for taking commission?—Yes, that is what it amounted to.

616. How does the War Office regard the contractors who bribed the public servants?—The fact is that this payment was reported by the head of the firm concerned. It arose in consequence of a manager having left their employment, and on some one being appointed to overhaul his books these entries were found in them; the chairman of the company immediately reported the matter to the War Office. That was the way in which we became acquainted with it. It was found that some official of the company had authorised it, and he was got rid of, and these men were dismissed.

617. No blame whatever attaches to the Birmingham Metal Company in respect of this transaction?—It was one of their officials that ordered it to be paid, but it did not come within the cognisance of the chief authorities of the company.

Mr. *Barran.*

618. But as I understand, this official used the capital of the company for the purpose of bribing these men?—The money of the company had, no doubt, been used.

619. Does it not strike you as very singular that this company should not have some record of the amount that was paid to these men?—They had, and it was because they found it in their books that they immediately reported the matter to the War Office.

620. After their manager had left?—Yes.

621. Does it not strike you as very singular that they should not have found that out during the time that he was in their service spending this money?—I suppose it could have been found out. It depended upon the examination given to their accounts by the officers employed to check them. They appointed an independent person, I think, to examine the books, and he drew attention to it, and it was immediately reported to the War Office.

Sir *John Lubbock.*

622. Was it found out soon after the payment was made?—No, I think not; the commissions had been going on, I think, for some time.

623. Then it was not a single payment, but payments spread over some time?—Yes.

Mr. *Arthur O'Connor.*

624. The fact is that this may be almost described as a system which had been going on,

ARMY APPROPRIATION ACCOUNT.

Vote 12.—Fine on Contracts—*continued.*

Mr. *Arthur O'Connor*—continued.

as you say, for some time, but was never discovered by the War Office until a voluntary communication was made by the contracting firm?—That is so.

625. The War Office never expected it?—No.

626. Have they any reason to suppose that the system adopted here is more open to corrupt influence than the system adopted in respect of other and perhaps larger contracts?—Of course, the same sort of thing may be going on elsewhere; but I know that particular attention was called to a great number of our contracts in consequence of this affair, and they were overhauled, and there was no ground for suspicion of a similar occurrence in their case.

627. Through how many hands would the metal (for I suppose it was metal that was involved in this case) have to pass before it was accepted definitively by the Laboratory?—That I cannot say.

628. What was the grade of these men?—Two of them were managers. I do not know what the other was.

629. What would be their pay?—About 500 *l.* a year.

Mr. *Webb.*

630. For what time is it supposed that this had been going on?—I have not here any statement which would show for what time it was supposed to be going on.

Mr. *Arthur O'Connor.*

631. Was any step taken to secure the repayment by these men of the money which they had received?—No, it was recovered from the company.

632. But that would not matter; the War Office would be in a legal position to demand repayment from the men even if they came upon the contractor?—The men were punished otherwise by being dismissed.

633. At any rate the money has not been recovered, either in whole or in part from the men?—No.

On VOTE 13.

REPAIRS TO OFFICERS' CLUB HOUSE AT ALDERSHOT.

Chairman.

634. (To Mr. *Ryder.*) As regards the question of the mode of charging the repairs to the officers' club house at Aldershot, do you suggest that it should be included among the repayable expenditure, and should have been a personal charge; what view would the Treasury take upon that point?—I think the Treasury would consider that the question depended in great degree on whether the building was a Government building like an ordinary barrack. If it was a Government building in the ordinary sense of the word, then these repairs would form a natural and proper charge on the Army Works

15 *April* 1891.] Sir C. L. Ryan, K.C.B., Mr. Ryder, C.B., Mr. Spring-Rice, and Mr. Knox, C.B. [*Continued.*

ARMY APPROPRIATION ACCOUNT.

Vote 13.—Repairs to Officers' Club House at Aldershot—*continued.*

Chairman—continued.

Vote, and we should hold that Parliament intended to provide for it in that Vote, and that it was a matter of discretion on the part of the Secretary of State whether the officers who put the building to a certain kind of use ought to contribute towards the repairs, and if he made them so contribute I think the Treasury would in that case think it was right that the contribution should be treated as an Appropriation-in-Aid.

635. What would there be in a case of that kind to insure that the Audit Office should look after the regular repayment by the officers of the expenses of these repairs?—I think the Treasury would say that an account ought to be opened in the War Office Books against the club, and in that account the full amount of their debt should be entered, and their ultimate repayment of the debt should also be entered.

636. (To Sir *C. L. Ryan.*) Is not one of the reasons why you suggest this should be treated as a repayable sum that in that case the Audit Office does look after the repayment, and the matter comes under your cognisance very closely?—Yes.

637. Whereas there is not similar security as to repayments when the payment has been charged against the Vote as a final Vote?—Quite so.

638. What would you say to the suggestion which has just been made by Mr. Ryder on behalf of the Treasury?—I should be prepared to agree with it, because it would maintain the hold over the liability, which is the main point that I had in view.

639. If the payment were treated in that way, you would be quite as content that it should be charged against the Vote as that it should be treated as you propose?—Yes, if a personal account is also opened. If it is charged against the Vote, and the recovery comes in as an Appropriation-in-Aid, I am not able to follow it. If that further step had been taken, I should have raised no question.

Mr. *Knox.*] We treated this much in the same way as we treat all the rents which we receive for the various buildings and lands which are let by our Department. We do not enter the liabilities of our tenants for rent in our account, but we have a rent-book in which note is taken that those rents shall be recovered. We make up a rent-roll as it were, from time to time, and that is separate from the general record which the Comptroller and Auditor General examines. This item was treated in precisely the same way, and the same machinery for recovery exists for this as for a sum of something like 23,000 *l.* a year, which we recover for rents from our tenants.

640. I suppose the club house is a Government building?—Yes.

641. And you are anxious that the whole expenditure upon it should appear in your account?—Yes.

ARMY APPROPRIATION ACCOUNT.

Vote 13.—Repairs to Officers' Club House at Aldershot—*continued.*

Chairman—continued.

Mr. *Webb.*

642. Is there no arrangement by which the repairs are included in the rent?—The officers are not charged a rent for the building.

643. But they are charged repairs, as I understand?—Yes, they are charged repairs.

Chairman.

644. Or rather they are charged the repayment of the expense of the repairs?—Yes, of internal repairs.

645. And that repayment is made by a certain number of instalments?—Yes.

Mr. *Webb.*

646. Would it not be more satisfactory if the officers paid their repairs directly?—This was a very large expenditure of something like 750 *l.*, and they were not in a position to do it, and asked the Government to do it for them on the understanding that they would repay it.

Mr. *Arthur O'Connor.*

647. I presume they could not have got it done so cheaply themselves?—Quite so.

Sir *Richard Temple.*

648. How can the item be charged if there is no Parliamentary provision for it?—It is charged as a minor expenditure under the Works Vote, which is practically at the discretion of the Secretary of State for the various military commands.

649. You think that that Vote does constitute Parliamentary provision for it?—Certainly.

650. You observe that the Comptroller and Auditor General seems to imply in this paragraph of the Report that Parliamentary provision has not been made?—Parliamentary provision is made for the expenditure of certain sums upon buildings at Aldershot for instance, or in other military districts, and out of that money the Secretary of State authorises certain expenditure to be made upon Government buildings; he can only apply it to the Government buildings of his Department.

651. You contend that it is not really necessary that special Parliamentary provision should be made for this particular service, as is apparently implied by the Comptroller and Auditor General's Report?—Quite so.

652. You say it may be fairly charged to the Vote?—Certainly.

653. (To Sir *C. L. Ryan.*) May I ask whether you agree in that view. I observe you say in the Report that "If Parliamentary provision had been made for this service, there would undoubtedly be great weight in the view of the War Office"?—By Parliamentary provision, of course, I meant distinct Parliamentary provision that I could follow. I knew that there was a sum taken for Government buildings at Aldershot, but there

was

ARMY APPROPRIATION ACCOUNT.

Vote 13.—Repairs to Officers' Club House at Aldershot—*continued.*

Sir *Richard Temple*—continued.

was nothing in that to guide me to the fact that this particular Officers' Club was included within it; and the main point of the paragraph was that it being charged as a final expenditure to the Vote, it passed out of my cognisance, and so I did not follow it. Mr. Knox says that there was a distinct record of it kept in the War Office. That, of course, I do not follow.

654. Do you admit what Mr. Knox says, that this might be fairly included in that particular Vote which he cites?—I think that would be a question which I should have to consider rather carefully as to what comes within the provision of the Parliamentary Estimate.

655. Do you mean to say that separate Parliamentary provision could be made for these club houses?—The question, of course, would come to be a question of interpretation, as to whether or not it was a Government building, upon which, therefore, repairs could be properly payable out of that Vote.

656. But they say that it is a Government building, as I understand?—It is a Government building in one sense, but not in the complete sense, or else there would be no repayment. (Mr. *Knox.*) This is a building at Aldershot, which is public property, and the repair of which is at the present moment, and has always been, a charge against the public. The officers have been allowed to use it as a club, as it is called, but on the understanding that they bear the charge for the internal repairs of it.

657. (To Sir *C. L. Ryan.*) On the whole do you think that Mr. Knox's explanation may be accepted by the Committee as satisfactory?—I think that this should have been kept outside the Vote. It is practically a loan; it is to be repaid, both capital and interest; and I do not think it was a proper charge to put on the Vote. At the same time, as it is a repayable service, I do not think it was necessary to draw a stronger line than I have taken in my Report.

658. If it is kept outside that Vote what is to become of it?—It is entered in the balance sheet as a charge against the officers, and cannot be got rid of until the loan is paid.

659. In that case, do you say it does not come within your cognizance?—It comes within my cognizance as being within what we technically call the balance sheet.

Mr. *Barran.*

660. That is to say, the Government do the repairs and charge the officers for the repairs done, who have the building rent free, on condition that they pay for the cost of the repairs?—That is the particular condition in this case; I do not know that it is a general condition. They are to repay the capital and interest. It was, so to speak, a loan advanced to them for the purpose of doing something which the Government did not think could be properly charged finally upon the Vote, except as a repayable service; and I think it should have been kept

ARMY APPROPRIATION ACCOUNT.

Vote 13.—Repairs to Officers' Club House at Aldershot—*continued.*

Mr. *Barran*—continued.

outside the Vote, and treated as a repayable service.

661. Simply because it is a luxury for the officers and not a necessity?—That, of course, I assume; but I do not go into those questions.

Mr. *Arthur O'Connor.*

662. (To Mr. *Knox.*) To whom do you look for the repayment of this money?—To the committee of the club.

663. Individually?—Yes.

664. Have they undertaken individual responsibility for it?—Yes.

665. Then it is a personal account, I presume. (To Sir *C. L. Ryan.*) To what Vote would you put this service if it were not put to this Vote. Certain work is done under a certain branch of the Administration appropriate to this Vote; if you had to bring it to charge, how can you treat it, except under this Vote?—This is a repayment of capital and interest.

666. The work is done, and must be accounted for; and if it is not accounted for under this Vote as an expenditure, where would you account for it. The question of repayment is another matter; I am asking with regard to expenditure?—Of course it is not my business to say how this item should be charged; I only have to deal with it after the charge is made by the Department; and it is for the Department to say how they would deal with it if they do not charge it to this Vote.

667. On that complaint of yours, which, *primâ facie*, is reasonable enough, I should like to ask, as you object to what the War Office has done, what would you suggest ought to have been done in respect of this charge?—I do not think that is a question which I ought to answer.

Chairman.

668. As I understand, it practically comes to this: that though you do not ask that this mode of accounting should be reversed, you do suggest that it would be desirable that there should be an opportunity given to you to watch the repayment of these instalments by the officers?—Yes.

669. I understand that a suggestion was made on behalf of the Treasury as to how that might yet be accomplished?—I do not know whether Mr. Ryder accompanied his suggestion with the proposal that it should be charged to the Vote, that there should be an Appropriation in Aid, and that subsequently to that there should be another charge made as against the officers. I do not know whether that was what Mr. Ryder meant.

670. (To Mr. *Ryder.*) Perhaps you would tell us what your suggestion was?—The suggestion was that in addition to the charge against the Vote, there should be an account opened against the officers.

671. Then how is the Comptroller and Auditor General to follow that. Mr. Knox has informed

Chairman—continued.

us, as I understand, that there is such an account opened, but it is not opened in any public account apparently which is accessible to the Comptroller and Auditor General?—Quite so. (Mr. *Ryder.*) I think the account should be opened in some book of the War Department which would be open to the Audit Office.

672. (To Mr. *Knox.*) Would not that get over the difficulty?—It would meet the difficulty, but it would be an exceptional dealing with expenditure which we treat in a different way, as I have described.

673. Would it not be a good precedent in the public interest; because what is there in the present system to prevent the repayment of expenditure of this kind which has been incurred by a Department being suddenly dropped by the Department without the matter ever coming to the knowledge of Parliament, or the Audit Office having an opportunity of saying anything upon the point?—The same thing might be said as regards all the claims which we record in the same way. For instance, as regards all the rents of the lands which we let, from which we receive a very large income every year, it might be said that we might remit the whole of that rent without its being reported.

674. Would not the Comptroller and Auditor General have an opportunity of coming down upon such a remission?—Not so far as the record in the principal books is concerned. We have a rent record in a certain room in the War Office, which shows completely what is to be recovered under this head, and we have noted this in exactly the same way.

675. (To Sir *C. L. Ryan.*) Is that so; would you not have an opportunity of coming down upon such a remission?—If there is a rent book which is open to us, we should take that up in the course of the detailed examination of that particular Vote when we are dealing with it in detail. The Committee will understand that the examination of the War Office Votes is only a test examination; we might follow up the details when we come to the detailed examination as regards rent.

Sir *Richard Temple.*

676. (To Mr. *Knox.*) In respect of what are these rents payable to the War Office?—In respect of lands and buildings which have come into possession of the War Office from time to time; they are mainly lands, but still we have some buildings

677. In London?—Very few in London.

Chairman.

678. Leaving for the moment the question of rents, in the case of a repayment, supposing a particular work is done by the War Office on behalf of somebody else, then the repayment is expected to be made in the shape of yearly instalments over a certain term of years; is it not

Army Appropriation Account.

Vote 13.—Repairs to Officers' Club House at Aldershot—*continued.*

Chairman—continued.

desirable that in all such cases there should be a record accessible to the Audit Office so that any stoppage of any repayment could be dropped upon at once by the Audit Office?—It all depends upon how far the Audit Office should go into the details of the recovery of receipts of that sort. They never have examined the rent expenditure or expenditure which we incur for damage done to buildings and stores, which we have to recover in all cases.

679. You will observe, as things stand, Parliament might be completely misled. Here, for instance, we are led to believe by what comes before us this Session that this expenditure will be repaid by instalments by the committee of the Officers' Club. Supposing that repayment ceases, it would never come to the knowledge of Parliament at all, apparently?—No, it would not; but I am afraid that as regards the greater part of the receipts that we recover as to Appropriations-in-Aid, the very same thing might be said.

Mr. *Arthur O'Connor.*

680. Do you mean to say that if a tenant of yours did not pay 100 *l.* of rent, the Comptroller and Auditor General would have no means of finding it out?—Not through the account which he examines.

681. Do you not think that it would be just as well if you revised your account, so as to enable him to check such a thing?—We have records, but they are not, as it were, the public records, which are examined by the Comptroller and Auditor General.

Mr. *Webb.*

682. Should not the rental be laid before the Comptroller and Auditor General each year so that he may see whether the rents have properly come in?—We have a rent record which we examine and secure all the credit for.

Mr. *Arthur O'Connor.*

683. You told us that there is a personal liability on the part of the individual members of this committee for the repayment?—Yes.

684. Then you must surely have some official record of that, whatever you may call it?—Yes.

685. The record would be in the nature of a memorandum, at all events, for a personal account?—Yes.

686. Is there any reason why that kind of memorandum should not be open to the inspection of the Comptroller and Auditor General?—All our papers and records are open to the inspection of the Comptroller and Auditor General, but these records do not enter into the accounts which he generally examines.

687. All the vouchers, for instance, of course are not sent into Parliament, but the Comptroller and Auditor General has access to them?—Certainly.

688. There

15 *April* 1891.] Sir C. L. Ryan, K.C.B., Mr. Ryder, C.B., Mr. Spring-Rice, and Mr. Knox, C.B. [*Continued.*

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Vote 13.—Repairs to Officers' Club House at Aldershot—*continued.*

Mr. *Arthur O'Connor*—continued.

688. There is no reason, is there, why he should not have access, if he applied for it, to every document showing the personal liability of the members of the committee of officers, or the tenants, or the individual officers, as the case might be?—None at all.

Mr. *Barran.*

689. I understand you to say that there is a large income from rents?—Yes.

690. Suppose there to be a great falling off in the rents in a particular year, do I understand that the Comptroller and Auditor General has no opportunity under the present arrangement of seeing that there is such a falling off?—He has the opportunity; the account would show that there was a falling off, and he might call attention to it certainly.

691. Has he exercised the opportunity of doing so?—I cannot say that I can recall any occasion on which he has.

692. May I put to you another case: supposing certain property of the War Office, which is very valuable, is let at a rent very much lower than it would appear to be worth, what opportunity has Parliament of ascertaining that fact except through the Comptroller and Auditor General?—I do not know of any.

Mr. *Crawford.*

693. Where does rent appear in the accounts?—If you have the accounts of the Estimates for 1890 before you, it is in Vote 13.

694. Where does it appear in the Appropriation Accounts?—It is at page 11 under Vote 13, Rent of War Department Lands, Buildings, &c., 23,572 *l.*

Sir *Richard Temple.*

695. (To Sir *C. L. Ryan.*) Surely you would know at once, would you not, if in any year there was a falling off, by comparing the amount with what was received in the previous year?—I might no doubt follow it up if I had reason to do so; but this would really mean an extension of the examination beyond what has hitherto been done. I do not say that it is not possible for me to follow any records which the War Office may have, but it has not been the custom to do so.

Chairman.

696. In the year in which your detailed test examination was directed to Vote 13, you would, I presume, go carefully into this rent, which amounted to 23,500 *l.*?—I will take care in future that we shall go as far as we can into the receipts of that particular Vote.

Sir *Richard Temple.*

697. Supposing in one year they fell below 20,000 *l.*, you would notice the fact, and you would see upon what buildings or what lands the

Army Appropriation Account.

Vote 13.—Repairs to Officers' Club House at Aldershot—*continued.*

Sir *Richard Temple*—continued.

deficiency arose by the records at your disposal, could you not?—I have the means of doing so.

Chairman.

698. Once in how many years would your detailed examination of Vote 13 come round?—It is a little difficult to say that; because it depends upon whether there are any charges that make it desirable to take up any Vote out of its order; but it takes nearly 10 years to run through the Votes.

699. It would not be more often than about every 10 years?—Not under ordinary circumstances.

700. On that occasion would you find out any slips that had occurred in the course of the whole interval since your last examination, or would it mainly be an examination of the accounts of the particular year?—I should be examining in detail the accounts of the particular year; but my examination ranges generally over the books and official records.

701. In such a matter as rent, supposing you did not examine it again till after 10 years' interval, it would be natural for you to compare it with the figures 10 years back, I presume?—If I am examining it in detail, of course I should go through every rent, and ascertain whether it was received or whether it was in arrear for any length of time, and all the facts in connection with it.

702. Supposing an item had disappeared from the rent-book in the interval of 10 years, you would not find that out unless you compared the rent book of to-day with the rent-book of 10 years ago?—No doubt; but when that examination was once instituted I think one should go back to where one left off.

703. I suppose that is what you practically do in cases of that kind?—Yes; but it has not been done in the case of the Army and Navy. That is a case where the magnitude of the work has really caused a less perfect examination than is given in the case of the Civil Services. In the case of the Civil Services, I should look at that every year. But that means, of course, an increase of the staff, and that is always a difficulty.

Mr. *Arthur O'Connor.*

704. That leads me to put a question which I wish to ask you on the first line of this Report, where the words are, "the detailed test examination was mainly directed to Votes 1, 2, and 4;" I want to ask exactly what that amounts to?—It amounts to this, that we took up the actual vouchers and examined the vouchers with regard to those particular Votes, and contented ourselves with what is called an appropriation examination with regard to the others.

705. Then why do you call it a test examination?—Because even that is not necessarily complete. All the force at my disposal cannot examine more than half of Vote 1 in the year.

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Vote 13.—Repairs to Officers' Club House at Aldershot—*continued.*

Mr. *Arthur O'Connor*—continued.

706. Then may I take it that there is not a single Vote in these accounts which has been actually completely audited?—There is one, viz., Vote 16, the War Office Vote itself; but otherwise what you say is perfectly true. The force at my disposal does not admit of a complete examination in one year. It may, perhaps, in a small Vote; for instance, the Yeomanry Vote the year before last we thoroughly examined, but we had to run it over two years to do it, and to take the latter part of the year into the next year. My force is insufficient to examine them in the year.

707. How many of your staff do you use for the test examination of the War Office Accounts which you refer to in the first line of your report?—About eight men.

708. And with eight men you say you can give a test examination to half the Vote, for instance, on Cavalry, Infantry, Artillery, and Engineers?—I will not say exactly half, but something like half.

Mr. *Webb.*

709. (To Mr. *Knox.*) Is there any periodical revision of these rents in order to see that they are properly raised or lowered, according as circumstances may justify?—The property is generally let on lease.

710. Are they long leases?—They are for various periods.

711. Is there any system upon which they are re-valued by any person who is responsible for making the most of them?—Yes; that is the main business of the Works Department. The Commanding Royal Engineer having charge of the district gets the necessary local assistance whenever there is any question of any magnitude arising.

On Vote 15.

CLASSIFICATION OF PAYMENTS FOR PROFESSIONAL SERVICES.

Mr. *Arthur O'Connor.*

712. (To Mr. *Knox.*) I see that Sir Frederick Bramwell, being a member of the Ordnance and Explosives Committee, received payment for professional services in connection with that Committee itself; is not that so?—No, that is hardly so. It is in connection with a Special Committee relating to swords.

713. But it is charged under Sub-Head A., under "Ordnance and Explosives Committees," of which Sir Frederick Bramwell is a member?—Yes, Sub-Head A. is the Head against which generally provision for Committees has been made; but there is no objection to its being charged to Sub-Head B. if that is thought preferable.

714. It certainly does look rather strange to see under the Sub-Head which relates to a

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Vote 15.—Classification of Payments for Professional Services—*continued.*

Mr. *Arthur O'Connor*—continued.

Committee of which Sir Frederick Bramwell is a member a charge for professional services from him?—The services have nothing at all to do with that Committee; they were services upon a Special Committee, and that is the Sub-Head under which payment for Committees is provided. They are different Committees. In addition to the Ordnance and Explosives Committees this is another Committee, for which no special provision had been made.

Mr. *Crawford.*

715. I think in the first line on page 155 it should be plural, "Committees" instead of "Committee;" it is quite right at page 50; is not that so?—Yes.

Mr. *Arthur O'Connor.*

716. Would it not have been better to charge it to Sub-Head B., Experimental Services?—That Sub-Head does not provide for the payment of Committees or emoluments of this sort.

717. But you will notice that in the explanation on the opposite page, page 51, there is mention made of payments to officers serving on Scientific Committees; so that there evidently were payments to persons for scientific services under this Sub-Head B., and in connection with Committees?—Yes.

Mr. *Crawford.*

718. Is it really one Committee or two Committees. The Committee is first described, at the bottom of page 154, as the Ordnance and Explosives Committee, and then the next sentence says, "Although Sir Frederick Bramwell was a member of this Committee:" was it only one Committee?—No; they are two Committees.

719. But if the real state of facts is that Sir Frederick Bramwell was a member of the Committee which ordered the employment of these services which he executed, surely that is a very great irregularity indeed?—This Committee was another Committee altogether, a special Committee.

Mr. *Arthur O'Connor.*

720. Who directed these particular services as to reporting on the swords and sword bayonets, which are referred to here?—As regards all these Committees, it was done under the direction of the Director of Artillery.

721. Sir Frederick Bramwell and Sir Benjamin Baker received a certain sum of money, namely, 580 *l.* for certain professional services; at whose direction were those services given?—The executive officer who gave the instructions was the Director of Artillery.

722. Moved thereto by the Ordnance Committee?—No.

723. Or by the Explosives Committee?—No.

724. (To Sir *C. L. Ryan.*) Then I should like to ask why you have reported this?—Because, as the paragraph says, it appeared to me that it should

15 *April* 1891.] Sir C. L. Ryan, K.C.B., Mr. Ryder, C.B., Mr. Spring-Rice, and Mr. Knox, C.B. [*Continued*

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Vote 15.—Classification of Payments for Professional Services—*continued.*

Mr. *Arthur O'Connor*—continued.

should have been referred to the Treasury for their sanction.

725. But I am referring to the earlier sentence in the paragraph, where you say, "Although Sir Frederick Bramwell was a member of this Committee," and so on. I suppose you did not put that in without an object?—The case was this. A payment was made to Sir Frederick Bramwell, and at first sight it seemed to me to be a question whether that payment was covered by the salary which he was receiving as a member of the Joint Committee, the Ordnance and Explosives Committee. It was stated that it was not covered by that, and we were then of opinion that it might be considered as a special payment, but if so the special payment required Treasury sanction, and if the Treasury directions had been able to be followed the probability is that that paragraph would not have been put in; but the directions were not able to be carried out, and it was charged under what the Treasury thought to be the wrong Head.

Mr. *Webb.*

726. Surely it does not look well for a member of the Ordnance and Explosives Committee to receive payment for services apparently made in connection with that Committee?—It was decided that they are are not in connection.

727. (To Mr. *Knox.*) Are they not in some way through that Committee?—No.

On Vote 19.

Alteration of the Date of a First Commission after the lapse of Thirty-seven Years.

Chairman.

728. (To Mr. *Knox.*) In the course of the Comptroller and Auditor General's examination of the grants of retired pay, his attention was drawn to the case of an honorary brigade surgeon who had been awarded retired pay at the rate of 25 *s.* a day. He had not completed his 30 years permanent service at the date of his retirement, and the amount of his retired pay to which he was apparently entitled was 22 *s.* 6 *d.* a-day instead of the 25 *s.* which he received. Apparently, however, he had actually done duty for a period exceeding 30 years; and the Secretary of State in order to meet what was regarded as a technical objection, seems to have ante-dated the officers original commission to the 8th of May 1852, although more than seven years had then elapsed since the man's retirement from the Army. Perhaps, before I go further, you would explain a little more in detail to the Committee how that came to be done, and what the precedents were for doing it?—This officer was in the employment of the Department, but had not received a definite appointment, or been commissioned. It was usual, in former times, to ante-date the commissions of officers who subsequently were taken on

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Vote 19.—Alteration of the Date of a First Commission, &c.—*continued.*

Chairman—continued.

for permanent employment, but such ante-dating had not taken place in this officer's case. It was, therefore, thought, when this question arose as to the actual service which he should be allowed to count, that there would be no objection to ante-dating the commission, which would have been ante-dated in former times if attention had been drawn to it then.

729. I suppose it is quite clear from Article 73 of the Pay Warrant of 1882 (which I see is quoted on page 178, in Letter Q. 5, paragraph 4), that the service of an officer can only be reckoned from the date of his first permanent commission, and therefore without some extraordinary measure it would have been impossible to give him his 25 *s.* a day?—It would.

730. (To Mr. *Ryder.*) Then the Treasury appear not to have objected to the grant of the money to the officer, but to have suggested that it was irregular to ante-date the commission, and that either by the use of a dispensing Warrant or otherwise, the grant to the officer should be placed upon a proper footing?—That was the view of the Treasury.

731. And ultimately the Treasury agreed to the 25 *s.* a day being granted by means of a dispensing Warrant?—Yes.

732. A dispensing Warrant, I understand, is a Warrant under which extraordinary cases of this kind are met by special dispensation, with the consent of the Treasury?—Under the dispensing Warrant the Secretary of State, with Treasury concurrence, can grant pay, pension, allowances, &c., that are not authorised by other warrants.

Mr. *Barran.*

733. To any amount?—It is exceedingly wide, and you may say there is no limit prescribed by the dispensing Warrant; but there is this condition, that schedules of all such grants must be presented to Parliament every year.

734. Has this one been presented to Parliament?—I have no doubt it has. (Mr. *Knox.*) I have no doubt it has been.

735. (To Sir *C. L. Ryan.*) Are you aware whether this exceptional case has been presented to Parliament?—I am not quite certain. I think it has been; but if not it will be presented this year.

Chairman.

736. Under those circumstances your objection to the amount of the grant has been removed, because due authority has been given to the grant?—Yes.

737. I observe you express the hope that the opinion expressed by the Treasury with regard to the alteration of the date of the first Commission will prevent the adoption of this course in the event of any similar cases arising in future?—Yes.

738. (To Mr. *Knox.*) Can you give the Committee any assurances upon that point?—No

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Vote 19.—Alteration of the Date of a First Commission, &c.—*continued.*

Chairman—continued.

doubt we should look upon this as a ruling in the matter.

739. I presume there is no doubt that there being this power as regards dispensing Warrants, there is no need to resort to measures of that kind?—They are only resorted to when the Secretary of State thinks that he has power to do it without a dispensing Warrant, and on the question being raised, and the Treasury coming to the decision that it ought to be referred to them, we should regard that as a ruling in the matter, and accept it as such.

Mr. *Arthur O'Connor.*

740. The fact was that the officer had really given 30 years of service, and that he would have been entitled under ordinary circumstances?—Yes.

741. The effect is to make the commission relate back to the first day of his service, just as in the case of the Civil Service, a temporary service is enabled to be counted, and to carry back the date.

Mr. *Webb.*

742. I thought that the commission would be the commencement of his services; how would he begin his service if not with a commission?—Officers were taken on at that time in all sorts of anomalous positions, and not necessary as commissioned officers, as for instance for temporary employment, and so on. The circumstances are explained in the letter Q. 5, paragraph 3, on page 178.

Claim Based upon an Error in the Royal Warrant.

Chairman.

743. (To Mr. *Knox.*) In the case of Major Sheil, a major in the Royal Artillery, I observe an addition of 50 *l.* has been made to the retired pay which has been granted to him at the rate of 300 *l.* a year, in consequence of an acknowledged error in the Royal Warrant. It appears, from the Report of the Comptroller and Auditor General and the correspondence, that Major Sheil was aware that this was an error, and had been made aware of the fact long before his retirement?—Yes.

744. I see, at page 156 of the Report, it says that he was informed on the 1st of May 1887, in reply to an inquiry made by him, that the existence of the provision in the Royal Warrant was an error, and that he could not be granted more than 300 *l.* per annum?—Yes.

745. When he did retire he was only granted 300 *l.*, I think, at the moment of his retiring?—Yes.

746. And he appealed more than once, and finally with success, for the increase of 50 *l.* a year which the Royal Warrant had erroneously provided for officers in his position; those are the facts, are they not?—Yes.

747. (To Mr. *Ryder.*) The Comptroller and

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Vote 19.—Claim Based upon an Error in the Royal Warrant—*continued.*

Chairman—continued.

Auditor General first raised a doubt whether the claim was not barred by the retrospective effect to the 1st January 1887, which was given by the Royal Warrant, and I see that the Treasury were disposed to agree with the Comptroller and Auditor General that it was open to doubt whether the view of the Secretary of State was correct, that the retrospective effect given to the Royal Warrant is neutralised by the proviso in the preamble when applied to claims based upon error?—The Treasury inclined to the view that the clause in the preamble which preserves rights under previous Warrants was not absolutely mandatory upon the Secretary of State, but that it gave him the discretion to use a certain power or not.

748. The preamble of the Warrant is, I observe, worded thus: "Provided further that any officer who entered our service before the date of this our Warrant shall be eligible to accept for himself or to have conferred upon his family in lieu of the rates granted by this our Warrant such half pay, retired pay, widows' pension, or compassionate allowance, as might have been awarded for the rank he held on the day before such date, or in virtue of length of service under any of our Warrants in force on that day"?—That is the passage referred to.

749. The Treasury doubt whether the words "eligible to accept for himself," did not imply a power on the part of the Secretary of State to reject his claim?—The construction that they were disposed to put upon the words was that the officer was made fit to be chosen, and that the Secretary of State was not absolutely obliged to give him the privileges of a past Warrant; but their argument was not by any means confined to that contention.

750. Quite so; that is the first objection taken by the Comptroller and Auditor General; but he further pointed out that the officers' claim was based on a mistake, of which he had had full notice before his retirement; and I think the Treasury take the view that that fact excluded the officer from any right to claim a pension at this higher rate?—Yes; the Treasury, I believe, would hold that a publicly corrected blunder of a draughtsman in a superseded Warrant cannot be the foundation of a claim by an officer as a matter of right. If the blunder has damaged him he may have a claim to compensation in equity, and his claim should then be submitted to the Treasury; but he cannot, on the strength of such a blunder, force the Secretary of State against his better judgment to concede to him what the War Department never intended to concede to him.

751. (To Mr. *Knox.*) I observe that there has been a great deal of correspondence on the subject, but I do not quite see that that point has been met by the War Office?—The Secretary of State has held, in this case, that he cannot go behind the words of the Warrant, that the words are perfectly definite, and that the officer

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Vote 19.—Claim Based upon an Error in the Royal Warrant—*continued.*

Chairman—continued.

officer is entitled to receive what the Warrant gives him. There is no question of interpretation of the Warrant, which is perfectly clear. He thinks, therefore, that this officer ought to receive this 50 *l.*, though it may not have been the intention of the War Office when the Warrant was first drafted to grant him the 50 *l.*

752. As I understand, the benefit of this 50 *l.* was intended for officers of Cavalry and Infantry, and it was by accident in drafting the Warrant that Majors of Artillery were given the benefit of the 50 *l.* on one or two occasions; whereas, when the Warrant came to be corrected, Majors of Artillery were excluded from the benefit of the additional 50 *l.*?—The 50 *l.* was granted, provided the pension did not exceed 300 *l.* a year; that was the way in which it originally stood; and then that limit of 300 *l.* a year was withdrawn.

753. Withdrawn in the case of Cavalry, you mean?—It was intended to be withdrawn in the case of the Cavalry.

754. And not in the case of the Artillery?—And not in the case of the Artillery, but as the Warrant was worded, it withdrew it in the case of both the Cavalry and the Artillery.

755. There is no doubt whatever that it was a mistake, and it was well known, was it not, to this officer eventually that it was not intended that Majors of Artillery should get the benefit of this extension beyond the limit of 300 *l.*?—Certainly it was not so intended when the alteration was made.

Mr. *Arthur O'Connor.*

756. The Chairman's question went a little further than that; he asked was it not known to everybody that it was not so intended?—That I cannot say. I believe they did not know. They would necessarily have taken up the Warrant and read it, and regarded it as bearing the only interpretation which the words could signify.

757. This was a Warrant published in 1882; remaining published in 1883, renewed in 1884, left so through 1884 and part of 1885, and then for the first time the mistake was corrected in the Warrant of 1885; then it appeared again in the Warrant of 1887?—Yes, in 1886 and 1887.

758. So that substantially for five years out of the seven it was, so far as anybody outside the War Office could know, a perfectly good Warrant?—Quite so.

759. (To Mr. *Ryder.*) I would like to ask the representative of the Treasury, with regard to his recent answer, whether he considers that an officer is bound to write to the War Office to ask them whether a Warrant issued in the ordinary course really represents the mind of the War Office or not before he takes action under it?—No; I think he is not bound to do so.

760. Was there any means by which an ordinary officer was to know that this was a mistake through all the years that are mentioned in this Report?—I have heard that it became known to

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Vote 19.—Claim Based upon an Error in the Royal Warrant—*continued.*

Mr. *Arthur O'Connor*—continued.

some officers after the correction in 1885, but until then any ordinary officer might have been misled.

761. Was it known to ordinary officers to be a mistake?—It became a matter of conversation amongst officers, if I am correctly informed, after Major Sheil's correspondence with the War Office about it began.

762. Would an ordinary Artillery officer know that this Warrant kept in force for five years out of seven, was, in a most material point of view, wrong?—I am speaking only upon hearsay. I have understood that it was known to some Artillery officers to be a mistake for a considerable part of the period to which the honourable Member refers; but I acknowledge that the mistake was not one which an ordinary officer would be able to discover for himself.

763. Was it so known to the War Office also?—It must have been known in the War Office at the time it was first corrected.

764. Are we to understand that important matters like Warrants are issued and kept in force for years, relating to matters of pension of Army officers when both the War Office and the officers know that they are all wrong?—The War Office knew it was wrong before the first correction, and therefore they must have known it was wrong when the fault was repeated.

765. Might I point out to you that it is repeated more than once; it was issued in 1882, repeated in 1884, and, though corrected in 1885 for a time, it is repeated again in 1887?—Yes. It was right in 1885 for the first time, and the War Department must have known the mistake from 1885 onwards; its repetition was, I believe, the individual mistake of some particular man.

766. At all events assuming that this Warrant was correct and was believed to be correct by those who were supposed to be concerned with its issue, would an officer in the ordinary course have been entitled to that which he claimed under it, assuming it to have been right?—If there was no mistake then clearly the officer would be entitled.

767. Then he was at all events, in point of form, entitled under that Warrant which was in force in 1882, 1883, 1884, and part of 1885, and again in 1887, to that which he claimed?—Yes, in point of form.

768. The War Office eventually conceded his claim?—Yes.

Chairman.

769. With respect to the first question which Mr. O'Connor has asked you, is it not the case that this officer did, as a matter of fact, inquire, and he was informed, in reply to this inquiry, that the provision of the Royal Warrant was an error, and that he could not be granted more than 300 *l.* per annum?—Yes.

770. (To Mr. *Knox*) How long was that before he actually retired?—Two years.

771. Then he was aware of it two years before he retired, and when he did retire the lower rate

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Vote 19.—Claim Based upon an Error in the Royal Warrant—*continued.*

Chairman—continued.

of 300 *l.* was actually given him by the War Office, only he appealed?—Yes.

772. He appealed more than once, I believe?—He did.

773. And finally with success?—Yes.

774. So that in this particular case the officer was quite aware that it was an error in the Warrant?—Yes, before he retired.

775. The final correction was made a little later after the time he made his inquiry, a little later in the same year?—In 1887.

Mr. *Arthur O'Connor.*

776. Was that application of his in reply to which the information was given to him in May 1887, an application for retirement, or an application in regard to what he could get on retirement?—It was as to what he would get on retirement, because he was not entitled to it at the time he inquired.

777. When he wrote he conceived that under the existing Warrant he was entitled to the higher payment?—Yes.

778. And that claim he has maintained ever since?—Yes; I may say that this question applies to three officers. It was supposed at one time that 12 officers might have been affected by it; but it appears that there are only three that can possibly come under this regulation.

Chairman.

779. (To Mr. *Ryder.*) The view of the Treasury, as I understand, is quite clear; they are of opinion that a pension ought not to be granted when the claim is based upon an error in the Royal Warrant, an error which has been published, and which at the time of the grant of the pension the officer is aware of?—The Treasury view I believe to be that the grant ought not to be conceded as a matter of right to the officer, but it is quite possible that the officer may have an equitable claim, because he may have been misled by the mistake; but if that is so the case should be submitted to the Treasury for special compensation.

780. In this case the Treasury were not consulted before the additional 50 *l.* was granted, were they?—No.

Mr. *Barran.*

781. (To Mr. *Knox.*) Did you not state that this officer knew two years before he retired what his retirement pension would be?—It was explained to him that there was a mistake in the Warrant then, and that he would not receive more than 300 *l.* a year. That is what he was told.

782. Under those circumstances, how can an equitable claim be substantiated?—Because the officer was not prepared to accept the dictum of the War Office; he appealed to the Warrant itself. He said, the Warrant gives me this; and the War Office may say what it likes as to its being a mistake. It is the Warrant that I go by, and I claim under the Warrant.

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Vote 19.—Claim Based upon an Error in the Royal Warrant—*continued.*

Mr. *Crawford.*

783. If the mistake was discovered two years before the officer retired, how was it that it was not corrected?—It was corrected.

784. Then how could he claim to be under the operation of a mistake which had been corrected before he had retired?—Because no alteration of a Warrant can take away from the officer any rights he has already become possessed of. When a new Warrant is issued, his rights are always reserved.

785. And he claimed that the right had vested in him though he had not retired?—Certainly; in fact, the general argument of the Secretary of State is that, especially now-a-days, Warrants really define the rights of the officers, and that if a Warrant is issued by error, we will say, and has been in existence for several years, when an officer claims under it he cannot turn round and say it is a mistake.

Mr. *Barran.*

786. Would you still say that, even if an officer is told beforehand that there is a mistake, and the mistake is rectified?—It depends a good deal upon the time that the mistake has been in force, as it were. Of course we do not admit that supposing a Warrant is issued and it is found out immediately that there is a mistake in it, that we cannot correct it, because then practically no vested interest has been created in it. But it is a different thing when a Warrant has been in force some five years or so.

787. Had this one been in force five years?—Yes.

Chairman.

788. (To Sir *C. L. Ryan.*) I think you have agreed throughout with the view of the Treasury; or perhaps I ought to say that you found the Treasury throughout in agreement with your view, for you raised the point, I think?—Yes.

789. Do you share the opinion which Mr. Ryder has expressed to the Committee?—Speaking generally, I should support the Treasury view; but it is a question which the Treasury has rather referred to the Public Accounts Committee for their special decision.

790. I see that the Treasury in their letter R. 8, at page 182, says: "My Lords must now leave it to the Public Accounts Committee to report to Parliament whether the additional 50 *l.* per annum improperly granted to Major Sheil, R.A., on the strength of this error, should be disallowed by Parliament upon the Army Account;" I think you have reported it for disallowance, have you not?—I have stated that I cannot under the circumstances assume the responsibility of allowing it. After that expression of opinion by the Treasury it would not be proper for me to have passed the payment.

791. You have reported the matter for this Committee to deal with, I understand?—I thought

15 *April* 1891.] Sir C. L. Ryan, K.C.B., Mr. Ryder, C.B., Mr. Spring-Rice, and Mr. Knox, C.B. [*Continued.*

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Vote 19.—Claim Based upon an Error in the Royal Warrant—*continued.*

Chairman—continued.

thought the Treasury had by their corespondence appealed to this Committee, and that it was rather taken out of my hands, so to speak, and placed in the hands of the Committee distinctly.

On VOTE 21.

AWARD OF WOUNDS PENSION TO AN OFFICER FOR AN INJURY RECEIVED WHILE ACTING IN A CIVIL CAPACITY.

Chairman.

792. (To Mr. *Ryder.*) Under Article 1904 of the Royal Warrant of 1887, the condition of the award of a wounds' pension is that the injury in respect of which it is granted shall have been sustained in consequence of wounds received in the execution of military duty. The grant of an award of this kind seems to have been made to Colonel Everett for wounds received while he was acting as Her Majesty's consul at Erzeroum. The Treasury, I think, suggested that they would have preferred a direct application to Parliament in a case of this kind?—The Treasury could not understand how the Secretary of State persuaded himself that a wounds' pension could be granted to Colonel Everett under Article 1094. They thought that the injuries had been received not in the execution of military duty, but in the execution of a civil duty, if it were any duty at all, and that the case ought to have been brought before Parliament as a special case, if the ordinary rules applicable to the Civil Service did not meet the case.

793. Do I rightly gather that the Treasury were prepared to approve of a direct application to Parliament by the War Office in this case; to submit a Vote?—It would not be for the War Office, I think; it would rather be a matter for the Secretary of State for Foreign Affairs if it were a Civil Service case.

794. They were prepared to approve of a Vote being submitted to Parliament?—I believe so. Under the ordinary rules only 100 *l.* would be granted as compensation for these injuries; and that would have been inadequate, in the opinion of the Treasury.

795. Then it is a question as to how the grant should have been given. The Treasury held that the Secretary of State had exceeded his powers in granting this pension as a wounded pension for wounds received in the execution of military duty, as I understand?—And I think the Treasury also were not convinced that so much as 250 *l.* a year need be given as compensation. I think they were disposed to think that a very high award in point of amount.

796. Eventually a grant of 150 *l.* was given, I observe?—The figure of 250 *l.* is mentioned in the preceding paragraph of the Comptroller and Auditor General's Report. (Mr. *Knox.*) It is explained in the correspondence on page 185.

797. (To Mr. *Knox.*) Would you explain why the view of the Treasury was not accepted by the War Department?—The Secretary of State did not agree with it. His view is explained in the correspondence, and I do not know that I can add anything to the letters on pages 184 and 185.

798. The final answer to the Treasury is given in the last paragraph of Letter S. 6, on page 185, is it not?—Yes, that is the final answer. The first letter is S. 4, in which it is said: "Looking to the difficulty which appears to exist in meeting Colonel Everitt's claim under regulations applicable to persons serving under the Foreign Office, and in view of the fact that this officer's duties as a consul in Armenia were to a considerable extent of a military nature, and that while thus employed he performed services of great military value, Mr. Secretary Stanhope is prepared to decide that he was injured while in the execution of military duty;" and then the other Letter (S. 6) concludes with this: "Mr. Stanhope still considers that the grant could properly be made under either of the Royal Warrants referred to, but, inasmuch as Lieutenant-colonel Everitt did not obtain the substantive rank of lieutenant colonel until January 1888, having only held substantive rank of major with local rank of lieutenant colonel at the date of his injury, the rate of pension should be limited to 150 *l.*"

799. There is one point in your Letter S. 1, at the top of page 184, to which, perhaps, I ought to call attention; you not only say that this officer was holding an appointment of a *quasi* military character of great military importance, but that he was "rendering service which reckons towards his military pension"?—Yes.

800. In the result the Secretary of State took upon himself to decide that the wounds were received whilst the officer was in military duty?—Yes.

Sir *Richard Temple.*

801. As regards the amount to which Mr. Ryder has objected, was the injury of a very serious character; I see it is spoken of as "deplorable"; was it one of a disabling character?—I do not remember exactly.

Chairman.

802. The officer was able to render subsequent services, was he not?—Yes; that is the case as regards all wounds' pensions for officers of the Army.

803. On reconsideration, the War Office did come to the conclusion to reduce the pension from 250 *l.* to 150 *l.*, did they not?—Yes; they decided that he should get a pension in accordance with the Warrant for the rank he held at the time, as the Warrant provides. It was really a misunderstanding as to his rank. He was only locally a lieutenant colonel, and they decided to give him a major's pension, which was the pension of his absolute rank.

804. (To Sir *C. L. Ryan.*) Has anything occurred

Army Appropriation Account.

Vote 21.—Award of Wounds Pension to an Officer, &c.—*continued.*

Chairman—continued.

occurred to alter your view that the conditions of the Royal Warrant of 1882 have not been met satisfactorily in this case, and that the correctness of the charge upon Army funds has not been established?—No; that remains my opinion now.

805. (To Mr. *Ryder.*) And I suppose the Treasury remains of the same opinion still?—I think so.

Mr. *Arthur O'Connor.*

806. (To Sir *C. L. Ryan.*) Assuming that this officer ought from, somewhere or other, by some means to get a pension of 150 *l.* a year on account of his wounds, what, in your opinion, would be the proper way of charging it?—I think it would be met probably by a payment from the Civil Contingencies, repayable by Vote, or in some way it would be brought distinctly before the notice of Parliament that he was receiving a special allowance for the injuries.

807. The Civil Contingency Fund would be available only for one year?—Quite so. That, again, comes to be a question, which is not for me to decide in the individual case, as to where the charge should be.

808. Then I will ask the Treasury. (To Mr. *Ryder.*) Assuming that this officer is fairly entitled to a pension of 150 *l.* per annum, where could that be charged better than it is charged here?—One way would be for the Foreign Office, with Treasury concurrence, to include in their Estimates a sum of say 1,000 *l.* or 1,500 *l.* as compensation to this officer for injuries received.

809. Do you think it should have come in the Foreign Office Vote in the shape of a lump sum?—That would be one way of doing it; and, indeed, I think that was before the mind of the Treasury during the correspondence.

810. I am starting with the assumption that he should receive 150 *l.* a year for pension?—I do not think the Treasury has even agreed to 150 *l.* a year as the pension.

811. I will ask you to start with the hypothesis that it is agreed that he should receive 150 *l.* a year as a pension; then I ask where, if not here, should you charge this pension for wounds?—The choice in that case would lie between in the Superannuation Vote and the Consular Vote.

812. Do you mean the Military Superannuation Vote?—No; I am assuming that it is truly a case of injuries received in the performance of civil duties.

813. But it is a wounds pension, and you have not got such a heading in your civil accounts, have you, whereas you have it on your military accounts, and this is a military officer occupying a semi-military position at the time, and doing work of an important military character in a place which, I suppose, is almost always in a state of siege in the neighbourhood of Van, on the borders of Armenia. I suppose the consul

Army Appropriation Account.

Vote 21.—Award of Wounds Pension to an Officer, &c.—*continued.*

Mr. *Arthur O'Connor*—continued.

there is almost always in the position of a forlorn hope?—I understood the assumption to be that this was decided to be a civil pension.

814. If you propose to put it otherwise than it is charged here, where would you put it?—If it is really a military case, and Colonel Everett has a true claim to a military wounds pension, then it has been rightly charged.

Effect of Cancellation on Discharge of Pensions.

Chairman.

815. (To Mr. *Ryder.*) The Comptroller and Auditor General informs us that arrangements are to be adopted in lieu of the practice of cancelling discharges in such cases as those referred to in his Report, and the question as to pensions already granted are still under consideration; can you give the Committee any information as to the progress of that matter?—No general regulations have yet been agreed upon between the War Office and the Treasury; but the Treasury has agreed to deal with each case on its merits, and the particular case of Mr. Holdgate and several others have been disposed of already.

Naval Service improperly reckoned in awarding an Army Pension.

Chairman.

816. (To Mr. *Ryan.*) In the case to which attention is drawn in the paragraph, the Treasury decided to award a special pension of 1 *s.* 6 *d.* a day under a Dispensing Warrant. The Treasury, I understand, consider that the approval of the Secretary of State of this man's naval service was *ultra vires*, but that it amounted, practically, to a pledge, and it was on that ground that you approved?—That was the Treasury view.

817. (To Sir *C. L. Ryan.*) Under those circumstances you are able to pass this pension for allowance?—I am.

Balances Irrecoverable and Claims Abandoned.

Army Agents' Accounts.

Chairman.

818. (To Mr. *Knox.*) There seems to have been a loss, which at first sight appeared to be considerable, arising out of the bankruptcy of an Army agent; but the view of the War Office seems to be that except possibly with regard to the sum of 3 *l.* 4 *s.* 3 *d.*, there has been no proved loss to the public?—There is no loss of public money. This money which was held by the agents was practically money belonging to the officers, and though technically we were able to claim it as public money, it was no loss to the public funds.

819. You have caused inquiries to be instituted upon the question whether there are similar amounts

ARMY APPROPRIATION ACCOUNT.

Vote 21.—Army Agents' Accounts—*continued.*

Chairman—continued.

amounts of public or *quasi* public money in the case of other Army agents, have you not?—Yes.

820. Has any information resulted from those inquiries as yet?—Yes; it was found that there were some small balances, I think mainly prize money, which had been authorised.

821. I think the whole question of the relation of the War Office with Army agents, and the obtaining of security from Army agents, has been under consideration?—Yes, and it has been settled.

822. Such things as those referred to in this paragraph are not likely to recur under the new arrangement?—This system of holding back money in the hands of agents has long since become obsolete, and the prize money which the agents reported that they had in their hands has been refunded to Chelsea Hospital, and agents, such as are employed, will give security in future.

[The Witnesses withdrew.

Wednesday, 22nd April 1891.

MEMBERS PRESENT:

Mr. Barran.
Mr. Sydney Buxton.
Mr. Crawford.
Sir Ughtred Kay-Shuttleworth.
Sir John Lubbock.
Mr. Arthur O'Connor.
Mr. Salt.
Sir Richard Temple.
Mr. Webb.

SIR UGHTRED KAY-SHUTTLEWORTH, BART., IN THE CHAIR.

NAVY APPROPRIATION ACCOUNT, 1889–90.

Sir CHARLES LISTER RYAN, K.C.B., Mr. GEORGE L. RYDER, C.B., and Mr. STEPHEN EDWARD SPRING-RICE, called in; and Examined.

Sir GERALD FITZGERALD, K.C.M.G. and Mr. W. G. P. GILBERT, called in; and Examined.

EXCESSES ON VOTES.

Chairman.

823. (To Sir *Gerald FitzGerald.*) I SEE the Comptroller and Auditor General directs attention to the explanation given of the very large excess under Vote 8, Section 2, amounting to 290,631 *l.* and odd, and I see the explanation given on page 31, under Sub-Head B., is that there were large purchases of armour for first class battle-ships not contemplated when the Estimates were prepared, and under Sub-Heads C. and G. the increase in the price of coal and the larger purchases of yard purpose coal are pointed to as causes of the excess; have you any other explanation to offer. I suppose this is an excess of an unusually large amount, is it not?—Yes; I have nothing to add to what is stated in those explanations.

824. How came it that so much more armour had to be purchased within the year than was expected when the Estimates were framed?—It was required for new construction under the Naval Defence Act.

825. That scarcely answers my question; how was it that it was not anticipated when the Estimates were framed?—It was not anticipated when the Estimates were framed that the armour plates purchased in advance for new construction would cause an excess. (Mr. *Gilbert.*) The expenditure on the armour plates was anticipated; but the excess arises because we were not allowed to borrow money under the Naval Defence Act.

826. It had originally been intended to borrow money under the Naval Defence Act?—That is so.

827. And then the difficulty arose owing to the construction put upon the Act by the Treasury?—Yes.

828. And consequently the expense fell upon the Vote?—That is so.

Mr. *Barran.*

829. May I ask for what period the contracts are made for the purpose of steel plates, to which reference has been made?—I cannot give you the exact period from memory.

830. How long will those contracts which were made two years since be before they run out?—I do not control the making of the contracts myself, but I will obtain the information and give it to the Committee. I think the contract is made for a specific ship and delivered, according to the requirement of the yard, on order from the yard. I believe that to be the case, but I cannot speak positively.

Chairman.

831. (To Sir *C. L. Ryan.*) Do you wish to say anything further upon the question of this excess?—No; I thought it right to call attention to the excess.

832. (To Mr. *Ryder.*) I observe that the Treasury deferred giving their authority for covering these excesses by means of the surpluses on other Votes until they knew the exact savings payable to the Naval Defence Account; will you kindly explain how that matter stands now?—The Treasury could not tell whether the whole of the net surplus or even more might not be due to the Naval Defence Account, and they thought therefore it was prudent to find out the exact amount of the debt of the Admiralty to the Account before any disposition of the surpluses. The Naval Defence Account has now been sent to the Treasury, and I believe the Admiralty and Treasury are at one upon it, but it has not yet been sent to the Audit Office, I believe.

833. (To Sir *C. L. Ryan.*) That is so, is it not?—That is so.

Navy Appropriation Account.

Excesses on Votes—*continued.*

Chairman—continued.

834. (To Mr. *Ryder.*) I gather that until the Naval Defence Account has been before the Audit Office, it will not be possible for the Treasury to settle this matter?—It will be more prudent to defer the settlement.

835. (To Sir *Gerald FitzGerald.*) I observe that the actual expenditure on contract work under Vote 8, Section 3, has fallen short of the estimated expenditure by so large a sum as 488,564 *l.* 11 *s.* 4 *d.*?—Yes.

836. The explanation of that is given on page 33; have you anything further to say, beyond what is said under Sub-Heads A. and G. of that Account?—I think those explanations give all that can be said with regard to the surpluses.

837. I suppose that too sanguine an estimate had been made of the speed with which the work under the Naval Defence Act could proceed as regards the propelling machinery?—Yes.

838. In consequence of the delay in dealing with the ships under the Naval Defence Act, a quantity of the work under Sub-Head G. was postponed?—Yes.

839. (To Sir *C. L. Ryan.*) Have you anything to say upon this surplus?—No; I have nothing to say beyond what is found in the Accounts.

840. (To Mr. *Ryder.*) I see that the Treasury, in their letter on page 145, call attention to the fact that this was a saving of over 31 per cent. of the whole Vote; I suppose that is a very unusual amount of delay and postponement under the Vote?—I believe the contract work is ordinarily considerably over-estimated, and I fancy that this over-estimate was remarkably large. (Sir *Gerald FitzGerald.*) It was specially owing to the difficulties arising in the labour market.

841. You attribute the delay in the contract work mainly to that?—Yes.

On Votes 1 and 2.

Appropriations-in-Aid.

Receipts from India for Services of Her Majesty's Ships in Indian Waters.

Chairman.

842. (To Sir *Gerald FitzGerald.*) The Comptroller and Auditor General reports that the Treasury were not satisfied with the subsidy payable by India towards the maintenance of a Naval Force in Indian Waters which had been reduced for the year 1888-89 to 38,500 *l.*; but I think that subsequent arrangements have been made, or are in contemplation, which will increase the amount of the subsidy?—We hope so.

843. Is that matter settled yet?—No. The contribution to be paid by India for vessels in

Navy Appropriation Account.

Votes 1 and 2.—Receipts from India for Services, &c—*continued.*

Chairman—continued.

Indian Waters was one of the subjects discussed at the Conference held at the Foreign Office on the 26th of March last. The present subsidy, which is based on a payment of 70 *l.* per man for four ships, was objected to by the Admiralty and the Treasury as obsolete. The Conference settled that India should pay the full cost of the ships selected, *i.e.*, both effective and non-effective charges. The Admiralty has taken measures to provide, from the 1st of April, ships of a new type and high speed, and has furnished the India Office with a statement of their annual cost. The Indian Government having taken exception to the ships selected, the Admiralty, in accordance with the suggestion of the Treasury, thereupon (in a letter to the India Office of 6th March) proposed a joint conference of Admiralty and India Office officials, naming the representatives who would act for the Admiralty. Up to the present time this proposal has not been assented to by the India Office. The Admiralty is pressing for an early decision.

844. Turning to the Admiralty letter, on page 155 (A. 3), there is a quotation from a Treasury letter, in which the Treasury say that "they understand that the full cost of 103,577 *l.* will be paid for 1891-92"; do we understand that that question is not yet decided?—It is not yet decided.

845. And that the Government of India claims a voice in the constitution of the squadron?—That is so.

846. Until that is decided, it will not be settled what the contribution shall be?—No.

847. Do you anticipate, by meeting the wishes of the Government of India on that matter, you will be able to get an increased contribution?—A very largely increased contribution.

848. (To Sir *C. L. Ryan.*) Then the arrangements are scarcely so far advanced as you supposed when you wrote your Report?—I think not; I thought it was definitely settled.

849. (To Mr. *Ryder.*) Are the Treasury satisfied with the progress of these negotiations?—I am afraid the Treasury has been rather disappointed. They thought at one time that the matter was settled; but they find they were mistaken.

On Vote 8.—Section 3.

Payments to Contractors for Propelling Machinery and Hulls of Ships.

Chairman.

850. (To Sir *Gerald FitzGerald.*) The Comptroller and Auditor General in his Report, on page 155, again gives a table of the monthly expenditure on propelling machinery and on the hulls of ships building, from which it appears that out of a total expenditure of 548,768 *l.* during the year, 188,837 *l.* was paid in March 1890, and that of this amount 39,102 *l.* was paid in the

Navy Appropriation Account.

Vote 8.—Section 3.—Payment to Contractors for Propelling Machinery, &c.—*continued.*

Chairman—continued.

last three days of the financial year. Seeing that this Committee reported strongly on this subject in 1889, and again last year, I should like to ask you whether the Admiralty hope that they will be able to distribute these payments more equally in future?—Every effort is being made by the Admiralty to meet the wishes of the Committee that the payments should be spread evenly over the financial year, and the Board is now considering a scheme by which it is proposed to pay instalments for propelling machinery, as has hitherto been done for hulls of ships, and, as regards the latter, to pay more frequent instalments. As the engineer-in-chief is here, the Committee may wish to ascertain some particulars from him as to this scheme.

851. Last year you were so good as to supplement the information we had before us by giving us the figures for the commencement of the financial year 1889-90, which we now have here; could you furnish us with the figures for the commencement of the year 1890–91, in order that we might compare the payments in the last months of the financial year with those in the months of April and May 1890?—Yes; I will send the Committee that information, or perhaps the engineer-in-chief may be allowed to give the Committee the figures.

Mr. A. J. Durston, called in; and Examined.

Chairman.

852. Can you give the Committee any information upon this point?—If the Committee want some information as to the payments in 1890–91, I can give an approximate statement. In April 1890 the amount certified for was 45,000 *l.* That was including the ships purchased out of the ten millions and those in the new programme for the year; but on propelling machinery alone, Vote 8, Section 3 "A," 32,285 *l.* was certified for in April; and it may be of interest to remark that in March 1891 the sum of 121,438 *l.*, out of a total of 782,306 *l.*, was certified for; so that the earnings in last March amounted to between a sixth and a seventh of the total amount of the year as compared to the year of which we are now speaking, in which the payments in March amounted to more than one-third the total amount of the 12 months. So that you see it is a better state of affairs, at all events, than prevailed before.

853. Perhaps you will hand in the figures?—I have them for the 12 months; but they are only in a rough form, and I should like to put them in in a corrected form.

854. Will you send them in in an accurate form?—Yes.

855. (To Sir *C. L. Ryan.*) Have you anything further to say upon this point?—I think not; because I understand the expression of hope made in the Treasury Minute of 10th January 1891 has already had some effect, and probably will have more effect.

856. (To Mr. *Ryder.*) I see that the Treasury strongly supported the Report of the Committee, and stated that they "hope that due regard may be paid to the wishes of the Committee on this point, and that a determined effort may be made to distribute the payments more evenly in future"?—Yes; but that injunction could scarcely have produced any effect until just the close of the year 1890–91; it could not have produced any effect upon the year of account.

Chairman—continued.

857. But the notice taken in the year 1889 might have produced an effect?—Yes, it ought to have done so.

Advances to Contractors.

Chairman.

858. (To Sir *C. L. Ryan.*) I observe that you report that the advances to contractors, so far as these accounts are concerned, have been confined to "special cases" as defined by the Treasury and this Committee?—That is so.

859. (To Mr. *Ryder.*) I see that the Treasury have referred, in their Minute of 10th January 1891, to the importance of altering the forms of contract, in order to make due provision for payment by frequent instalments for defined portions of completed work, and that they are prepared, so far as it rests with them, to carry out the recommendation of the Public Accounts Committee of 1890, that the Treasury and Admiralty should consider whether it would not be feasible to adopt some such forms of contract; may I ask what more has been done in order to carry out that recommendation?—The Admiralty replied to the Treasury Minute on the 9th of February last, and said that measures had been taken to extend their system, that is to say, the Admiralty system, of paying by instalments, in all cases where the nature of the contract will allow. The Treasury then asked the Admiralty about the inter-departmental Committee which was referred to, and asked for further information as to the new measures that had been adopted, and as to the alteration in the form of contract; but the Admiralty have not yet answered the Treasury letter.

860. (To Sir *Gerald FitzGerald.*) Perhaps you will be able to tell the Committee what is being done in that matter?—The engineer-in-chief,

22 *April* 1891.] Sir C. L. Ryan, K.C.B., Mr. Ryder, C.B., Mr. Spring-Rice, Sir G. FitzGerald, K.C.M.G., Mr. Gilbert, and Mr. Durston. [*Continued.*

Navy Appropriation Account.

Vote 8.—Section 3.—Advances to Contractors —*continued.*

Chairman—continued.

in-chief, who has got the question in hand, will be better able to explain the matter. (Mr. *Durston.*) I may say that some months ago a scheme of payment by instalment was put in hand, and it has now reached this point, that parts of the new scheme are under the consideration of their Lordships at this present moment. The scheme, so far as relates to propelling machinery, is this, that we have increased the number of instalments in the case of every large contract from 16 to 26 in number.

861. Are those instalments for defined portions of completed work?—For defined portions of completed work; so that the overseer shall not have to value that work in any way; he has only to state that certain work has been performed, and therefore the instalment has been earned and is due.

862. It was also suggested by the Comptroller and Auditor General last year that administrative arrangements should be made such as would ensure contracts being placed at the commencement of the financial year; has anything been done in that matter?—That is a difficult question, and I could hardly answer it. We can only take into consideration the requirements of the Fleet. We place the orders as soon as possible; but the maturing of the design for ships and machinery is a matter that will always occupy a long period. It is a matter subject to discussion by the various members of the Board as it passes before them. We do our best in the matter. In the year 1889–90, as regards the orders for the new ships, the orders for the second-class cruisers and the orders for the first-class cruisers and battle ships followed one after the other. That was about as much as we could do in the matter. We could not give out all the orders at one period; for the subject would be too big to consider at one period.

863. As regards the point which this Committee took up and pressed upon the Admiralty, I understand that it is being pushed forward, and that the mode of providing for payments by instalments for defined portions of completed work in the contracts is under consideration at this moment?—That is so; and in preparing the scheme, adding to the number of instalments of payment under the contract, we have taken the opportunity of separating out certain items of work performed, such as steel castings, and heavy steel forgings, the delay in the manufacture of which has frequently caused delay in the payment of the whole instalment. We have endeavoured to separate out those, and thus ensure a more even performance of work. I may add that the same system has been extended to the contracts for gun mounting.

864. (To Sir *C. L. Ryan.*) Are you satisfied that progress is being made in the direction the Committee recommended?—I think so.

Navy Appropriation Account.

Vote 8.—Section 3—*continued.*

Sub-Head DD.

Expenses of Raising Her Majesty's Ship "Sultan."

Chairman.

865. (To Mr. *Ryder.*) I see on pages 115 to 117 the Treasury took objection on the ground that they were not informed at a much earlier date of the contract made by Messrs. Baghino for raising Her Majesty's ship "Sultan," and pointed out in their letter of the 8th October 1889 that the conditions laid down in paragraph 8 of their Minute of 20th August 1889 had not been complied with, and that consequently the House had not had in review this contract for the payment of 50,000 *l.* when the relevant Navy Vote was brought forward for discussion on the 20th June. Then I observe on the 27th November the Treasury wrote that they regret that they are unable to accept the explanation which had been given by the Admiralty as satisfactory. The Treasury, in the first place, suggest that their concurrence should have been obtained before the 27th May, and then they also point out that they cannot understand why the Department was kept in ignorance of the matter from the 27th May to the 7th October. I suppose the view taken by the Treasury was that the Parliamentary control should have been recognised, and that an opportunity should have been given to the House of Commons of expressing its view upon this contract of 50,000 *l.*?—That was the Treasury view. The negotiations took place whilst the House was sitting, and if the Treasury had been informed of them as soon as they might have been, not merely would the Treasury have had a voice, but Parliament would have been informed, and been given a voice also.

866. (To Sir *Gerald FitzGerald.*) I observe that certain explanations were given; is there anything further that can be said on behalf of the Admiralty?—Full explanations are given in the Financial Secretary's letter of the 15th November, at the top of page 116, in which he says that their Lordships regretted that any involuntary infringement of the usual procedure for obtaining Treasury sanction had occurred, but that they trusted that the explanation would be deemed satisfactory in view of the unusual difficulties surrounding the case.

867. (To Mr. *Ryder.*) I think the rule laid down by the Treasury, in their Minute of the 20th August 1889, was that "as soon as a spending Department is satisfied that a new expenditure cannot, without detriment to the public interests, be postponed until Parliament has provided for it in the usual manner, that Department should submit the same in in writing to the Treasury, with a full description of the circumstances which render it necessary." "If the Vote to which the expenditure is chargeable has not yet been taken, the Minister who will have charge of it when taken in Com-

Navy Appropriation Account.

Vote 8.—Section 3.—Expenses of Raising Her Majesty's Ship "Sultan"—*continued.*

Chairman—continued.

mittee of Supply should at once lay upon the Table of the House a statement of the additional expenditure sanctioned by the Treasury, explaining that it is proposed to defray it out of the savings on other Army or Navy Votes," and if this mode of defrayment should prove impossible, a Supplementary Estimate is to be presented for it?—That is the Treasury rule.

868. (To Sir *Gerald FitzGerald.*) I suppose, in any future similar case, the Admiralty would observe that rule?—Certainly. In this particular case there were circumstances which led to this infringement of the Treasury regulation. It was hardly expected that M. Baghino could have raised the "Sultan," and therefore, though he made an offer to do so for the sum stated, it was never supposed he would have been able to carry out his contract. That was really the reason why the Treasury consent was not obtained at the time.

869. I observe the Comptroller and Auditor General states that the total expenses amounted to a good deal more than 50,000 *l.*; he brings in certain items which, as I make out, raise the total to over 62,000 *l.* Part of that is for bringing the vessel home and for expenses incurred after raising the ship; but I suppose the ship was no use until she had been brought home; so that it is perhaps fair to include those sums?—Certainly; those sums were charged to the ordinary Votes.

Sir *Richard Temple.*

870. What has been done with the ship?—I am told she is lying at Portsmouth at the present time.

Mr. *Arthur O'Connor.*

871. Is she worth the 50,000 *l.*?—Yes.

Mr. *Barran.*

872. Will she ever be any use to the service?—I should think so. Money has not been available for her repair during the past year.

Chairman.

873. Is there anything in the Estimates for this year for putting the "Sultan" in repair?—No decision has yet been arrived at.

Sir *Richard Temple.*

874. Did M. Baghino on the whole perform his contract well?—Extremely well; he raised the ship as he contracted to do.

On Vote 9.

Naval Armaments.—General Remarks.

Chairman.

875. (To Sir *Gerald FitzGerald.*) The Public Accounts Committee made certain representations last year, and we were informed that the

Navy Appropriation Account.

Vote 9.—Naval Armaments.—General Remarks—*continued.*

Chairman—continued.

subject of the mode of accounting for naval warlike stores, and certain questions arising therefrom, were referred to Mr. Forwood's interdepartmental Committee. I see the Comptroller and Auditor General reports that the recommendations of the Committee are still the subject of correspondence between the Treasury, the Admiralty, and the War Office, and he mentions that the Government has decided to adopt one of them, namely, the recommendation to transfer to the Admiralty the custody of all Naval Warlike Stores at the principal of the Home Stations. I suppose that recommendation is now being carried out?—Yes.

Mr. *Arthur O'Connor.*

876. What is the exact meaning of those words; does it mean that all Naval Stores are to be in naval custody, and placed in the principal home stations, or does it mean that all the Naval Stores that happen to be at the principal home stations are to be in the custody of the Navy?—All stores which are naval, but have hitherto been in the charge of the War Office, are to be placed under Naval Ordnance Storekeepers.

Chairman.

877. With respect to the other recommendations of the Committee, would it possible to communicate them, or are they still confidential?—The question of the purchase of Naval Ordnance Stores is still in abeyance.

878. The Comptroller and Auditor General points out that to secure direct responsibility on the part of the Admiralty for the expenditure of the Vote for Naval Armaments, it is not only necessary to do what has been done, but the Admiralty must be charged with the entire responsibility for every contract entered into on its behalf, and for every order placed with the Ordnance Factories at Woolwich for Naval Warlike Stores. I suppose the Committee must have made some recommendations on those subjects?—The Admiralty is consulted before any contract is placed in the hands of a private firm, or before an order is given to the Ordnance Factories; but the actual responsibility for making contracts is still in the hands of the Director of Army Contracts.

879. But the subject of whether it should in those hands was before the Committee, was it not?—Yes.

880. The Committee, I understand, have dealt with the subject, and made recommendations?—Yes; they, or rather a majority of them, recommended that the purchase also should be in the hands of the Admiralty; but that has not yet been agreed to; the question is still in abeyance.

Sir *Richard Temple.*

881. The Admiralty have not yet got the responsibility which the Comptroller and Auditor General

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Vote 9.—Naval Armaments.—General Remarks—*continued.*

Sir *Richard Temple*—continued.

General indicates is necessary, have they?—Only as regards the custody of the stores.

Chairman.

882. Not as regards the making of contracts?—Not as regards the making of contracts.

883. Would you agree with the statement of the Comptroller and Auditor General that, in order to achieve the object which this Committee had in view, it would be necessary to go so far as to give the responsibility for every contract entered into to the Admiralty?—I was on the Committee, and assented to the recommendation I have already referred to; but there is still a discussion going on with the War Office on that particular question.

884. You took the view that it is necessary?—I did.

885. And you tell us that the Committee recommended it?—Yes, the majority of them.

Sir *Richard Temple.*

886. But it is not yet settled?—It is not yet settled.

Chairman.

887. With regard to the further question as to the responsibility for watching the due execution of both contracts and orders for testing and passing the stores, and for ascertaining that they are taken on naval store charge, would you agree with the Comptroller and Auditor General that that responsibility would also necessarily follow?—So far as taking on naval charge is concerned, that will, of course, follow when the naval stores are in the custody of our own officers; but with regard to the responsibility for testing, there is a Department attached to the War Office which tests and examines all ordnance stores, and the naval work will remain with that Department.

888. Do you not think it necessary that the responsibility for testing and passing stores should be with the Admiralty?—No.

889. You think you would be satisfied with that part of the work being done by the officers of the War Office?—Certainly.

890. Was that the view of the Committee?—Yes.

891. Is there any reason why the Report of that Committee should not be communicated to this Committee?—I do not see any reason.

892. (To Mr. *Ryder.*) Do you know of any reason?—I am afraid I ought not to speak for the Treasury on that point; I have not heard it mooted before.

893. Perhaps you would inquire?—I will.

894. (To Sir *C. L. Ryan.*) Have you anything further to say on this point?—Nothing at present.

895. With regard to the question of the responsibility of watching the due execution of contracts and orders for testing and passing the stores, would you press that that is necessary for

NAVY APPROPRIATION ACCOUNT.

Vote 9.—Naval Armaments.—General Remarks—*continued.*

Chairman—continued.

complete responsibility on the part of the Admiralty?—I think I should say yes, in the sense in which I intended it in this paragraph. I think Sir Gerald FitzGerald's answer referred rather to what is called the Inspection Department. There is an Inspection Department which inspects for all Departments, and if they consider themselves responsible to the Admiralty for the work which they are doing for the Admiralty, I do not think it would be necessary to start a separate Inspection Department

896. They would act as agents of the Admiralty for that particular purpose?—Yes. But this paragraph of the Report rather referred to looking at the execution of the contracts as they were going on, and the certificates as to progress on which payments of instalments are made. I think that ought to be watched by the Admiralty.

897. (To Sir *Gerald FitzGerald.*) Would you agree with that?—Unless the contracts were entered into directly by the Admiralty, I do not see how we could do that: but it would naturally follow, if this duty were in the hands of the Admiralty.

898. Would not the inspection to which Sir Charles Ryan referred just now also necessarily follow?—No, I think not.

899. You think you might still avail yourselves of the Inspection Department of the War Office?—Yes.

900. It was to the Inspection Department you referred in your previous answer, I presume?—Yes. (Sir *C. L. Ryan.*) The Inspection Department comes in after the work is completed; I was referring to watching the work of the contract in progress.

Mr. *Arthur O'Connor.*

901. (To Sir *Gerald FitzGerald.*) What was the date of the Report of the inter-departmental Committee to which you have referred?—It was some time in the autumn, I think.

902. Seven months ago?—Six or seven months ago.

903. With whom rests the responsibility for the delay in acting upon it?—There has been no delay. The Admiralty has virtually taken over the stores from the 1st of April of this year, and it only remains to appoint the officers of the new Naval Store Department.

904. I understood you to say that certain recommendations of the Committee had not yet been acted upon and were still under consideration?—Yes; the question of making the contracts.

905. With whom rests the responsibility for the delay in that matter?—It is a question between the Admiralty and the War Office. There is some objection, I believe, at the War Office to removing the making of contracts for Naval Ordnance from the Director of Army Contracts.

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Vote 9.—Naval Armaments.—General Remarks—*continued.*

Mr. *Arthur O'Connor*—continued.

906. You are content at the Admiralty that the War Office officials should test and inspect the stores when sent in?—Yes.

907. But you desire, as I understand, that you yourselves should be the direct contractors and that the War Office should not act as your agents for contracts?—The view of the majority of the Committee was that the Admiralty should enter into the contracts for all Naval Ordnance Stores.

908. Have you an officer and have you machinery for the purpose equally convenient with the War Office machinery for that purpose?—Certainly. The Director of Navy Contracts could arrange these contracts.

909. Would you propose then to enter as a principal contracting party into the contracts with the Ordnance Factories?—Yes.

910. With the War Office?—With the War Office. The Ordnance Factories are, however, now separated in some measure from the War Office; they are under a special civil officer.

911. But the contract would be made through the War Office, would it not, for the Ordnance? It would be made in consultation with the War Office.

912. If you had such an arrangement, would you inspect the stores which were being made under contract for yourselves?—No; they would be inspected and passed by the Army Inspection Department.

913. If the Admiralty independently and directly entered into a contract, would they not themselves inspect the outcome of that contract?—No, the stores would go to this inspection department, which is a War Office Department at the Arsenal.

914. Have you any officials who could do that work of inspection?—I do not think so.

915. Have you any officials who could do the work of inspection which is suggested by the Comptroller and Auditor General for the purpose of checking what is due to the contractor from time to time?—Yes, that could be done by Admiralty officers.

916. Then there would be no difficulty in complying with the suggestion of the Comptroller and Auditor General with regard to that amount of inspection?—I should think not.

917. Has that been done up to the present time?—No.

918. Why?—Because the responsibility for entering into contracts is not in our hands at the present time.

919. Is there any reason why your own officers should not have inspected those things for which you are responsible, and for which you have to pay, since the suggestion was first made?—I do not think we could interfere with the arrangements made by the Director of Army Contracts.

920. Then are we to understand that it is the

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Vote 9.—Naval Armaments.—General Remarks—*continued.*

Mr. *Arthur O'Connor*—continued.

War Office that is putting an obstacle in the way of the immediate settlement of this question, and not the Admiralty?—The Committee recommended that it should be done; but at the Conference of Ministers, which I believe was held in Arlington-street, it was decided to leave the matter in abeyance for the present.

921. What does "for the present" mean?—I cannot say.

922. Seven months have now elapsed, and it has gone into another financial year?—It must be borne in mind that the Admiralty will have a very heavy duty in the present year in taking over the whole of the stores and arranging a new Department for their custody, receipt, and issue. The question of making the contracts will come up later.

923. Does that mean that the Admiralty is scarcely ready at this moment to act upon the suggestion?—That was not the view of the majority of the Committee. It will, however, be obvious that there are objections to it, because contracts for Ordnance would have to be given to the same contractors by the War Office and by the Admiralty, and it may be thought desirable that those contracts should be given through one officer.

924. I gather from an answer made by the representative of the Admiralty a little time ago that at present a system obtains of fortnightly payments in respect of contracts, for we were told there are 26 instalments instead of 16 for some particular branch; would that suggest the possibility of having a fortnightly inspection to see how the contract work is running off and how much has been earned by every class of contractor?—That could only be the case where we have surveyors competent to inspect Ordnance work at the establishments at which the contracts are carried out.

925. I thought you said you had machinery enough, if the system was adopted, for inspecting all work actually under contract?—That would be the case if the overseers could inspect Naval Ordnance work as well as propelling machinery and hulls of ships.

926. If that is so, surely we can see our way to a definitive settlement of the whole matter. If you have machinery apt and adequate for the fortnightly inspection of all work you have under contract, so as to be able to check what the contractors are entitled to draw up to each fortnightly date, you are in a position at once to meet the suggestions of the Comptroller and Auditor General, are you not?—Yes; but the objection still remains on the part of the War Office to allow two Directors of Contracts to go into the market for the same article.

927. Then I gather now the Admiralty are perfectly prepared and able to act up to the suggestion of the Comptroller and Auditor General,

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Vote 9.—Naval Armaments.—General Remarks—*continued.*

Mr. *Arihur O'Connor*—continued.

General, but the War Office is not assisting for that purpose?—There is an objection on the part of the War Office which delays the matter.

The Committee-room was cleared, and the Committee deliberated.

After a short time, the Witnesses were again called in.

On Vote 9.

Naval Armaments.

Payments to the War Office for Guns and Warlike Stores for Naval Service.

Chairman.

928. (To Sir *C. L. Ryan.*) You have already told us, on the Army Appropriation Account, that the Production Voucher was only furnished to your officers on the 7th January?—Yes.

929. Therefore you have been unable to test the correctness of the amounts charged against the Navy Votes for guns and warlike stores by the War Office, and you have had no alternative but to reserve your certificate of the correctness of these sums until they have been tested?—That was so.

930. Have you been able to make any examination since your Report was written?—I have; but perhaps it might be more convenient, as it applies both to the Army and Navy, that I should make such little statement as I have to make upon it when we take the Army Manufacturing Accounts, upon which it practically arises, because it was on the Army Manufacturing Accounts that the examination was made.

931. In the next paragraph, I think, in the first place, the words 1888–89 ought to have been 1889–90?—Yes; it was a printer's error, which we did not discover in time.

932. You have learned, on the authority of a letter from the Accountant General of the War Office to the Secretary to the Admiralty, that the Factory Accounts for the 1889–90 "were not kept in such a form as to permit of an accurate division of the expenditure on each Sub-Head of Navy Votes being now made between Normal, Dockyard, and Contract, and the figures must, therefore, be regarded as approximate only, and you point out that the Naval Defence Act of 1889 renders necessary an accurate record?—That is so; but I may say that since this paragraph was written I have received a further letter from the Admiralty on the 23rd February, in which they sent me a copy of the letter from the War Office, of the 14th February, which states: "With reference to your letter of the 3rd ultimo, transmitting a copy of a letter received from the Comptroller and Auditor General relative to the Statement of Expenditure on Naval Orders in the Ordnance Factories during the year 1889–90, and inquiring whether an accurate adjustment

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Vote 9.—Payments to the War Office for Gun and Warlike Stores, &c.—*continued.*

Chairman—continued.

of the charges under Normal, Dockyard, and Contract could be arrived at as suggested by him, I am directed by the Secretary of State for War to state, for the information of the Lords Commissioners of the Admiralty, that he regrets that he is unable to do anything further which would be likely to bring about a satisfactory result, but that there is no reason to suppose that the figures already furnished are other than fairly accurate." Therefore it seems it is impossible now to comply strictly with the provisions of the Naval Defence Act in this particular.

933. (To Sir *Gerald FitzGerald.*) Have you anything to say upon the point as regards the year 1889–90?—Nothing beyond what is stated in the letter which has just been read.

934. How came it that the Accounts were not at once kept in a form enabling the Naval Defence Act to be obeyed?—The War Office objected to keep the Accounts, as they were very intricate and laborious, but now they are doing so, and they will furnish a statement distributing the expenditure under Normal, Dockyard, and Contract ships in future.

935. Then for the year 1890-91, it is hoped that the Act will be obeyed?—Yes, in that respect.

Supplies of Ordnance Stores to other Departments.

Chairman.

936. (To Sir *Gerald FitzGerald.*) A question arose during the course of the examination as to whether any system was in existence for ensuring that proper cash adjustments are made in the Navy Accounts in the case of supplies of Naval Ordnance Stores to other Departments or services, and we learn that a letter on the subject has been addressed to the Treasury, to which the Admiralty are waiting for a reply; how does that matter now stand?—The matter is now settled.

937. I understand it is proposed to credit them to the Sub-Heads which bear the first cost of these repayments instead of their being treated as Appropriations-in-Aid?—Yes.

938. (To Sir *C. L. Ryan.*) Are you satisfied with that arrangement; or perhaps you are not prepared to give an opinion on it yet?—I think I will reserve anything I may have to say upon that until I see how it works.

Mr. *Arthur O'Connor.*

939. (To Sir *Gerald FitzGerald.*) I do not quite understand what it is that is proposed?—It is proposed to credit the repayments to the sub-head originally charged.

940. You have an expenditure in connection with some other Department in regard to a particular item, and you credit *per contra* the sum charged to the Department in question?—When

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Vote 9.—Supplies of Ordnance Stores to other Departments—*continued.*

Mr. *Arthur O'Connor*—continued.

stores are issued to another Department, the Sub-Head which is originally debited will be credited with the value of those stores.

941. As if it was a repayment?—Yes.

942. That is a departure from the existing system, is it not?—Yes, but only with regard to these particular stores.

943. Why did you treat them in this particular way?—Because we issue stores for land service in larger quantities than was done before, and it was necessary, in order to equalise the Votes, that these amounts should be credited to to the same Head as was originally charged.

944. Have the Treasury agreed to that?—Yes.

Chairman.

945. For instance, you issue gunpowder, do you not, to the Ordnance Factories at times?—Yes.

946. If you issue gunpowder to the Ordnance Factories, you propose that you should credit the Sub-Head for gunpowder with what you receive from the Ordnance Factories for that purpose?—That is so, instead of making it an Appropriation-in-Aid.

947. (To Mr. *Ryder.*) I think the Treasury have had this question before them, and have given their opinion upon it?—They have given their opinion in a guarded form. The Treasury is quite alive to the fact that serious abuse might arise from crediting the debit Sub-Head, as it is called, with the receipt from the other Department, and therefore they say careful regulations ought to be made governing the practice. Those regulations have not yet been framed. (Sir *Gerald FitzGerald.*) They are now being prepared.

Mr. *Arthur O'Connor.*

948. (To Mr. *Ryder.*) Would not such an arrangement enable a very considerable excess of expenditure over what was estimated for, being incurred under the particular Sub-Head?—That is the danger. If the Receiving Department credits the money to its Appropriations-in-Aid, then its power of spending in the year is not increased; but it is increased if it credits the receipt to a debit Sub-Head.

Chairman.

949. Is there any question of the period for which this arrangement is to be in force?—The Treasury has asked that the subject may be brought again to their notice on or about the 1st of April 1894.

950. Is that on account of the period for which the Naval Defence Act is in force?—That is so; and also we gave a temporary sanction in order to ensure the condition about the special regulations being carried out, so that it may not be lost sight of.

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Vote 9.—Supplies of Ordnance Stores to other Departments—*continued.*

Chairman—continued.

951. (To Sir *Gerald FitzGerald.*) Has that arrangement been adopted by the Admiralty?—Yes.

Mr. *Arthur O'Connor.*

952. (To Mr. *Ryder.*) Did the Treasury, before giving its assent to the arrangement, ascertain from the Comptroller and Auditor General what his view on the point was?—I am not sure that we did communicate with the Audit Office. I speak under correction. I do not recollect that we did; but I may tell the honourable Member that we have now before us a letter from the Comptroller and Auditor General criticising the arrangement, to which we have to reply.

Chairman.

953. (To Sir *C. L. Ryan.*) I gather that you would rather defer any remarks upon this arrangement until next year?—It is a serious matter, and one which I am in correspondence with the Treasury about, and I would rather not at this moment say anything more upon the subject.

Paragraph 10 postponed.

Warlike Stores for Ships Building under the Imperial Defence Act, 1888.

Chairman.

954. (To Sir *C. L. Ryan.*) You report that certain sums, amounting to 5,085 *l.*, expended in the purchase of Ordnance Stores for the Australian Squadron, is not chargeable to the Vote, the charge having been taken on charge in the Australian Store Ledger. Your point, as I understand, is, that they should not be chargeable to the Imperial Defence Account?—Yes.

955. Under the Imperial Defence Act is there power to make issues out of the Consolidated Fund for these purposes?—Yes.

956. (To Sir *Gerald FitzGerald.*) Have you any explanation to offer upon this matter?—Yes. In consequence of a revised establishment of Ordnance Stores which has been drawn up, it was found that certain of the stores purchased for the Australian ships were not required, and they were consequently transferred to Ordinary Naval Services. When full details of the re-appropriation of these stores have been received from the War Office, the necessary adjustments will be made. The Director of Army Contracts has been asked to go into the question of this re-appropriation with the Commissary General of Ordnance at Woolwich.

957. This adjustment will have to be made in the Accounts of another year, I presume?—Yes.

958. Then at present there is nothing for it, but to disallow this amount as not properly chargeable against this Vote?—I presume that it

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Vote 9.—Warlike Stores for Ships Building, &c.—*continued.*

Chairman—continued.

it will be allowed against the Vote, subject to re-adjustment in next year's Account.

959. (To Sir *C. L. Ryan.*) How would that be?—I think it is not chargeable against the Vote; it will be admitted against the Imperial Defence Account.

960. (To Mr. *Ryder.*) Do the Treasury agree with the Comptroller and Auditor General in that view, that it is not chargeable against this Vote?—The Treasury certainly agree with the Comptroller and Auditor General that no excess ought to be incurred beyond the 850,000 *l.*, and charged upon the Naval Votes, unless special sanction is obtained.

961. I do not think there is any question of excess in this case, because there is a very large balance unexpended for that year, amounting to nearly a quarter of a million under the Imperial Defence Act?—(Sir *Gerald FitzGerald.*) That balance has been expended since; but we shall not exceed the 850,000 *l.*, and the amount in question, or at least a portion of it, will be adjusted against normal services, which has received the benefit of the Stores; so that there will be no excess whatever under the Imperial Defence Act.

FORGINGS FOR GUNS SENT TO ELSWICK.

Chairman.

962. (To Sir *C. L. Ryan.*) Have you received any answer upon the point which you raised as to the very large expense incurred by sending some guns, the construction of which had commenced at Woolwich, to the Elswick Ordnance Company to be completed?—I think this affords a very good instance of the inconvenience which is caused by the long, and, I venture to think, unnecessary delay in answering the letters which I write. My letter to the Admiralty was on 14th March 1890, and the reply was received on 9th February 1891. If the reply had been received before this Report was written, the probabilities are that this paragraph would never have appeared. As regards the apparently abnormally large cost for the two guns, it is explained to be really a part of a larger order of six guns, and when the amount is divided between the six guns, what appeared to be an abnormally large payment becomes a normal one. Therefore, if that answer had been received in time, this paragraph would not have been written.

Mr. *Arthur O'Connor.*

963. (To Sir *Gerald FitzGerald.*) You do not happen to have by you the official bundle of papers in which this question was dealt with, showing the dates of transit from official to official?—No. We received a letter from the War Office on the 18th December that explained this matter, and after inquiry at the Admiralty to make it more clear for the Comptroller and

NAVY APPROPRIATION ACCOUNT.

Vote 9.—Forgings for Guns sent to Elswick —*continued.*

Mr. *Arthur O'Connor*—continued.

Auditor General, we communicated with him on the 9th February.

964. Then the delay was caused by the War Office?—Principally, I believe.

EXPENDITURE OF THE INSPECTION DEPARTMENT.

Chairman.

965. (To Sir *C. L. Ryan.*) I observe that you report that there are apparent errors, presumably arising in some cases from a faulty system of account, and involving over and under charges, some of considerable magnitude, in the accounts; but I think you have reason for desiring that the Committee should postpone the consideration of this point?—I think, so far as the answers from the War Office have been received, the objections which are raised in the queries have been admitted. I think there is reason to anticipate that these objections will not recur in another year, and I think it will be perhaps as well that the question should not be pressed further now, but that I should watch it and report upon it further if necessary next year.

On VOTE 11.

INFRINGEMENT OF PATENT.

Chairman.

966. (To Mr. *Ryder.*) The question arises on this paragraph of the Comptroller and Auditor General's Report, of what are proper payments to include under Sub-Head J., "Gratuities for Special Services." There is an inclusion here of a payment to the Hotchkiss Ordnance Company, awarded by the Director of Army Contracts, as arbitrator under Treasury authority, for infringement of patent; may I ask why the Treasury recommended that it should be included under that Sub-Head?—I think what governed the Treasury was a desire that this particular Sub-Head for gratuities in the Navy Estimates should be put upon the same footing as the Sub-Head "Awards to Inventors, &c.," in the Army Estimates. The detail of all payments under the Sub-Head for gratuities is presented to Parliament as an Appendix to the Appropriation Accounts; and therefore full information would be given to Parliament of this particular payment if it were charged to the Sub-Head for Gratuities. At the same time, I think I may say, on behalf of the Treasury, that the criticism of the Audit Office seems to be a just one. If the Treasury's idea is properly carried out, the title of the Sub-Head should be changed very considerably.

967. (To Sir *Gerald FitzGerald.*) Does the payment affect the future rights to use the patent, or was it simply a payment for the year?—I think it was for the past.

968. Did it give the Admiralty any future

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Vote 11.—Infringement of Patent—*continued.*

Chairman—continued.

rights to the patent of the Hotchkiss Company?—It was for all previous rights in this patent.

969. It did not affect the future?—It did not affect the future; but I presume arrangements will be made by which we shall not have to make another payment of this nature. (Sir *C. L. Ryan.*) The explanation of it is this, that certain work had to be done under contract; that the contractor could not do it in the time; and the Ordnance Factory undertook to do the work; but as they were thereby infringing the patent, special payment was made to the company.

970. It was a payment rather in the nature of a royalty?—It was not a special gratuity, but a fine or royalty.

971. If the rights of the company in the patent had been purchased, or if they had been paid something for the invention, would it then have come within "Gratuities for Special Services"?—No; I think by the heading of "Gratuities for Special Services" was meant something to reward a person for doing some particular work.

Mr. *Arthur O'Connor.*

972. (To Sir *Gerald FitzGerald.*) Who were the parties to this submission to arbitration; the Hotchkiss Company was one; who was the other?—I think the War Office.

973. Who was it appointed a War Office official, the Director of Army Contracts, as arbitrator?—I suppose it was done in communication with the Admiralty. The matter was considered by the Admiralty, I know.

974. When the award was made, which party took up the award?—The Admiralty.

975. Did they pay the fee of the arbitration?—There was no fee to the Director of Contracts.

Chairman.

976. (To Sir *C. L. Ryan.*) You would suggest in the future that any payments of this kind should not be entered under that Sub-Head?—Quite so.

977. (To Mr. *Ryder.*) I think on the whole, after the criticism of the Comptroller and Auditor General, the Treasury are disposed to agree with him?—I think the Treasury would hold that the title and form of the Sub-Head should be altered if payments of this kind are to be charged to it.

978. (To Sir *C. L. Ryan.*) That would meet your view, would it not?—Certainly.

Mr. *Webb.*

979. (To Sir *Gerald FitzGerald.*) With regard to the bulking of sums under this Vote in the last item on page 89, certain items are bulked amounting to 2,259 *l.* 6 *s.* 1 *d.*; why could not those items have been set out in detail and more particulars given?—They are very small items, making up only 2,000 *l.* in the course of the year.

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Vote 11.—Infringement of Patent—*continued.*

Mr. *Webb*—continued.

980. Why do you not there go into such full particulars, for instance, as are given on page 56, where we have sums of 12 *s.* 4 *d.*, 1 *l.* 2 *s.* 3 *d.*, 1 *s.* 2 *d.*, and 3 *s.* 4 *d.*?—Of course we have the expenditure under each of these items that are cited here, and we can give it in detail; but it would make the account very bulky, and it would be of so little use to see what we pay, for instance, for "removing dirt and ashes from Her Majesty's ships," "fees to registrars for certificates of deaths of naval pensioners," and for "mooring fees." We have never considered that such minute details were necessary in this statement.

981. I see among these items "miscellaneous expenses connected with Port Said," "entertainment of guests," and so on; do you not think it might be necessary to set out those and a great many other items that are stated here?—We should have no difficulty in giving all the details if the Committee wish.

Chairman.

982. Have you got the details with you here?—No.

On Vote 16.

Naval Pensions.

Chairman.

983. (To Mr. *Ryder.*) Has the amount of the pension mentioned in this paragraph been written off to "Balances Irrecoverable"?—Correspondence is still going on upon the subject with the Admiralty.

984. Was proper care taken in this matter in granting this amount?—The Treasury was not satisfied that proper care was taken, and I think the Admiralty seemed to be of the same opinion.

985. (To Sir *Gerald FitzGerald.*) Have you anything to say with regard to this?—The Board does not consider that there was any intention on the part of the pensioner to defraud (which was the particular question that the Treasury raised), and they do not think that the amount paid to him in wages can be recovered from his pension. The fact was that the man was awarded a temporary pension in 1885 for the loss of an eye, and the pension was renewed periodically to the 9th October 1889, when it was discovered that he had been serving in Sheerness Dockyard during the whole of that time. It would appear when he entered the dockyard he had not received information that his pension had been awarded, and the authorities appear to have taken his statement that he had not got one without further question or investigation. I may point out that there has really been no loss to the Government, because another labourer would have been entered had he not been employed, and have received the same amount of money; though it should have been seen at the time he was taken on that he was actually receiving or about to receive a pension.

986. Did

22 *April* 1891.] Sir C. L. Ryan, K.C.B., Mr. Ryder, C.B., Mr. Spring-Rice, Sir G. FitzGerald, K.C.M.G., Mr. Gilbert, and Mr. Durston. [*Continued.*

NAVY APPROPRIATION ACCOUNT.

Vote 16.—Naval Pensions—*continued.*

Mr. *Arthur O'Connor.*

986. Did he lose the eye through the service?—Yes; he has now left the yard, and is in receipt of a life pension of 1 *s.* a-day for the injury.

987. What would his wages be if he was in full pay?—I suppose about 3 *s.* a-day.

988. Is there any objection to retain him?—He has left in order to retain his pension.

989. But he was for some time able to earn full wages besides the pension, I understand?—Yes.

990. But now the matter has become more serious?—Yes, but he is obliged to give up his work in the dockyard in order to retain his pension.

991. He is disabled for life?—Yes, partially.

Mr. *Webb.*

992. Ought not the pension to be more than that?—He has a pension of 1 *s.* a-day for the injury.

993. Is that the maximum that could be allowed?—Yes.

Chairman.

994. (To Mr. *Ryder.*) Will this amount now be written off as irrecoverable?—We shall wait for the official reply from the Admiralty giving the information that Sir Gerald FitzGerald has just given to the Committee; then I expect the Treasury will sanction the writing of it off.

Mr. *Webb.*

995. (To Sir *Gerald FitzGerald.*) Would it be in the power of the Admiralty to give this man more than 1 *s.* a day?—No.

996. Is there a scale upon which they can only give so much?—Yes, according to the nature of the case; there is a regular fixed scale.

997. Is that settled by Parliament?—It is settled by Order in Council.

VALUES OF STOCKS.

Mr. *Arthur O'Connor.*

998. (To Sir *C. L. Ryan.*) What is the value of this return of the Values of Stores; is it of any use at all?—Yes; I think it enables one to see the increase or decrease.

999. In the value?—Yes.

1000. But how are the stores valued; are they valued at the price of production?—I am not responsible for the valuation. I think that question should be addressed to the representative of the Admiralty.

1001. (To Sir *Gerald FitzGerald.*) How are the stores valued?—Mr. Gilbert will be better able than I am to answer the question. (Mr. *Gilbert.*) They are valued at what we call the rate-book price, which is practically the price that is paid for the stores.

1002. Might the stores remain on hand valued at the rate-book price for a number of years?—No; because at the valuation of stock we value it both at the old rates and at the new market rates; the rates are revised every year.

NAVY APPROPRIATION ACCOUNT.

Vote 16.—Values of Stocks—*continued.*

Mr. *Arthur O'Connor*—continued.

1003. How often is the stock overhauled for valuation; is it every three years?—On the 31st March every year.

1004. The whole stock belonging to the Admiralty?—Yes; that is to say, the whole stock as exhibited by the balance on the dockyard ledger is valued twice over, *i.e.*, at the new as well as the old rates.

1005. When the valuation is made, is care taken to weed out any stores that are obsolete or unserviceable?—No; because that is not an actual overhauling of the stock, but a mere valuation on paper.

1006. Then it may be, may it not, that some of these stores that are so annually valued, though properly valued according to the rate-book price, are stores which in fact may be obsolete?—No; because we distinguish between so-called obsolete stores and other stores. As stores become obsolete we classify them as such. That overhauling is a service which is constantly going on. As new patterns are introduced to supersede the old ones, those old ones are surveyed at once, and a new value assigned to them.

Mr. *Barran.*

1007. You write them down, I suppose?—We write them down.

Mr. *Arthur O'Connor.*

1008. Are you obliged to get rid of them?—It depends upon the character of the article. Though they are called obsolete, we use them up if it is not more profitable to get rid of them; sometimes the one case happens and sometimes the other. On the introduction of a new or improved pattern, if it is so desirable to adopt it at once as to make it worth while to get rid of the old ones, we do so; but the rule is that we use up old stock first.

1009. With regard to the value of this money return in connection with stocks, may it not be that you may show a very large money total which, to a great extent, is made up of stocks, which in some sense at any rate are obsolete?—Certainly; it would include so-called obsolete stores, but it would include them at their reduced value. Roughly, about 70,000 *l.* is put down as the value of obsolete stores in these last Accounts.

Mr. *Barran.*

1010. Do you mean you wrote that amount off?—No; the total value of the obsolete stores which remained in stock at the close of the year was about 70,000 *l.*

Mr. *Arthur O'Connor.*

1011. I see, to quote the words of the Comptroller and Auditor General, "On the other hand, the decrease in the value of Vote 8, stores amounting to 125,086 *l.* is stated to be principally owing to alterations in prices during the year"?—Yes, that was so.

22 *April* 1891.] Sir C. L. Ryan, K.C.B., Mr. Ryder, C.B., Mr. Spring-Rice, Sir G. FitzGerald, K.C.M.G., Mr. Gilbert, and Mr. Durston. [*Continued.*

NAVY APPROPRIATION ACCOUNT.

Vote 16.—Values of Stocks—*continued.*

Mr. *Arthur O'Connor*—continued.

1012. The alteration in price alone would account for a decrease of 125,000 *l.*?—Not quite 125,000 *l.*; a large proportion of it.

1013. But the Comptroller and Auditor General goes on to say, "In connection with this, it is to be noticed that the Vote shows an excess expenditure amounting to 290,631 *l.*, which might have been expected to have increased the quantity of stores"?—Apparently that is so; but it can be explained very readily.

1014. It would be desirable to have an explanation, I think, because to the uninformed mind it does seem strange that after spending all the money that has been voted, and 290,000 *l.* besides, you have in stock stores less in value by 125,000 *l.*?—That is because during that year we purchased a large quantity of armour which we intended to pay for by borrowing; but we were, for the reasons which have been alluded to before, unable to borrow, and so it appeared as excess.

1015. But then, I suppose, you have that armour in your stores, have you not?—No; it would be in the ship, it would not be in stock.

1016. Have you used it up?—Yes; armour is never kept in stock.

Mr. *Webb.*

1017. What are these obsolete stores valued at; is it the value of the material?—Roughly, they are valued at about 70,000 *l.*

1018. I suppose the time comes sometimes when they are written off altogether?—As a matter of fact if we cannot use them up at their reduced value, we should sell them as old material, old metal or iron, or whatever it may be.

NAVY APPROPRIATION ACCOUNT.

Vote 16.—Values of Stocks—*continued.*

Mr. *Webb*—continued.

Mr. *Arthur O'Connor.*

1019. Would that armour go under Vote 8, Stores, in the ordinary case?—Yes, under Vote 8, Section 2.

1020. I see there is an actual diminution of stores to the extent of 48,000 *l.*?—There is a small diminution.

1021. Which was caused by larger outgoings than was anticipated; would those words "larger outgoings" cover the armour?—No; that would be independently of the armour altogether.

Mr. *Barran.*

1022. This decrease in the value of stock was owing, I presume, very largely to the decrease in cost?—Yes.

1023. Could you give us some particulars?—To take an illustration. You remember when the Copper Ring collapsed, the price of copper went down considerably; that would affect our stock to a considerable amount.

1024. Was there any large decrease in any other description of stock?—No; there was a small decrease, but nothing to that extent.

1025. You do not know what the decrease was in the value of armour plates?—That would not be shown here, because we do not have armour in stock; it passes through stock simply as a matter of account.

IMPERIAL DEFENCE ACCOUNT, 1888 (NAVAL SECTION).—AUSTRALASIAN AGREEMENT.

RECEIPTS AND EXPENDITURE.

Chairman.

1026. (To Mr. *Ryder.*) In paragraph 2 of his Report the Comptroller and Auditor General points out that no sums have been raised under the powers given under Section 3 of the Imperial Defence Act by borrowing money by means of terminable annuities; have no sums yet been raised?—Some sums certainly have been raised. I am afraid I cannot tell the Committee the exact amount that has been raised. The exact amount raised to the present time is 850,000 *l.* I only know the amount of annuity that is to be paid in respect of that sum, which is shown in the Estimates to be 69,800 *l.* a year.

1027. It appears, on page 3, that in the first two years, namely, 1888-89 and 1889-90, no moneys were raised?—The raising took place later.

1028. With respect to these sums, they all have to be repaid within the 12 years; that means, does it not, within the period up to 1901?—They have to be repaid out of the Navy Votes.

1029. All the annuities created terminate at that time, do they not?—I believe that is so; but I am not quite sure.

Chairman—continued.

1030. The 12 years runs not from the moment when the money is raised, but from the commencement of the expenditure under the Act?—The Act says "within 12 years from the end of the financial year in which the first of the said sums was issued."

1031. That is the first of the sums issued from the Consolidated Fund, is it not?—Yes, from the Consolidated Fund.

1032. The first of those sums was issued in the year 1888–89, I think?—Yes, that is so.

1033. Therefore, I think, I was right in saying that all these annuities have to be repaid within the period terminating in 1901?—Yes; that seems to be correct.

1034. (To Sir *Gerald FitzGerald.*) I would like to ask for an explanation upon that point. I see within the two years, to which account on page 3 relates, the amount of expenditure exceeded the amount of money issued out of the Consolidated Fund by 16,000 *l.* and odd; how was that expenditure met?—It was met by the Navy from their balances.

1035. (To

22 *April* 1891.] Sir C. L. Ryan, K.C.B., Mr. Ryder, C.B., Mr. Spring-Rice, Sir G. FitzGerald, K.C.M.G., Mr. Gilbert, and Mr. Durston. [*Continued.*

Imperial Defence Account.

Ships not put in Commission.

Chairman.

1035. (To Sir *Gerald FitzGerald.*) The Comptroller and Auditor General mentions that none of the ships composing the Australian squadron were put in commission during the period of this account, and that no money, therefore, came in course of receipt during the period; has any yet been received?—That was the case in the year under review; but all the ships are now in commission.

1036. Has any money been received?—No money has yet been received from the Australian colonies.

1037. But now that the ships are in commission the money becomes due?—Yes.

Mr. *Barran.*

1038. When did it become due?—It became due before the 31st March, but, we have not received any yet.

1039. Have any steps been taken to get it?—Yes; very urgent steps have been taken; but

Imperial Defence Account.

Ships not put in Commission—*continued.*

Mr. Barran—continued.

we have not succeeded in inducing the Governments to pay us.

Chairman.

1040. Is that connected with the question raised in the next paragraph, namely, the fact that the agreement has not been ratified by Queensland?—We hope that that fact will only affect Queensland. We cannot expect to get any money from Queensland yet, because their Legislative Assembly has not ratified the agreement; but we consider that the other Australian colonies are bound to pay us.

1041. How do they regard the matter?—I can only say that the Colonial Office has written to the Colonial Governments on the subject.

Mr. *Barran.*

1042. When were the payments due?—They are due in advance when the ships are in commission, and they were all in commission before the 31st March last.

[The Witnesses withdrew.

Wednesday, 29th April 1891.

MEMBERS PRESENT:

Mr. Barran.
Mr. Crawford.
Mr. Jackson.
Sir Ughtred Kay-Shuttleworth.
Sir John Lubbock.
Mr. Arthur O'Connor.
Sir Richard Temple.
Mr. Webb.
Mr. Wodehouse.

SIR UGHTRED KAY-SHUTTLEWORTH, BART., IN THE CHAIR.

ARMY (ORDNANCE FACTORIES) APPROPRIATION ACCOUNT, 1889-90.

Sir REGINALD WELBY, K.C.B., Sir CHARLES LISTER RYAN, K.C.B., and Mr. GEORGE L. RYDER, C.B., called in; and Examined.

Mr. RALPH HENRY KNOX, C.B., called in; and Examined.

EXPENDITURE, 1889-90.

Chairman.

1043. (To Mr. *Knox.*) BEFORE going through the Report of the Comptroller and Auditor General, paragraph by paragraph, I propose to turn to page 14, paragraph 13. I think it appears on the Appropriation Account of this Vote that there is a net deficit of 23,927 *l.* 12 *s.* 5 *d.*?—Yes.

1044. (To Sir *C. L. Ryan.*) I think you suggest in paragraphs 8—12 that the expenditure and the Appropriations-in-Aid should be amended, and by paragraph 13 you show that the net deficit should be consequently increased to 25,666 *l.* 15 *s.* 1 *d.*?—Yes.

1045. Then, I think, referring to last year's accounts, this Committee reported in paragraph 6 that, after certain changes had been made, the account, instead of exhibiting a surplus of 18,036 *l.*, would show a net deficit of 60,547 *l.*, and the Committee adopted the suggestion made on behalf of the Treasury that the amount in question should be charged against the Accounting Officer until it is realised; and I see, in the Treasury Minute on that paragraph, that the Treasury agreed with that view of the Committee, and said, with respect to the deficit, that it should remain as a charge against the Accounting Officer until recovered, and that no excess Vote need be taken for it. I think you do not propose that the deficit this year should be voted as it would be in the ordinary course?—I do not.

1046. You have prepared a Memorandum, I believe, stating your reasons why you think so; will you tell us what those reasons are?—"I quite admit in the outset that the spirit and intention of the Appropriation Act requires that upon every Vote of Parliament there should be a surrender of any surplus shown and a Vote taken to cover any deficit that it may exhibit. And I think that any system of accounting that does not readily adapt itself to this rule challenges at once an inquiry into its soundness as part of the machinery of our Public Accounts. Now to apply this general statement to the Vote before the Committee, it will be in their recollection, as has just been brought out by the Chairman's question, that the Vote for the year 1888–89 originally showed a surplus; that that surplus was, by the decision of the Committee, converted into a considerable deficit, but that that deficit, for reasons with which I need not now detain the Committee, was not voted. In the present account the deficit is principally due to expenditure in adapting existing plant for the manufacture of the magazine rifle not charged at once against the cost of their production, in order to avoid unduly augmenting the cost of such number as were manufactured in the year. Another incident in this present system, which has already been before the Committee in the Army and Navy Reports, is the difficulty connected with the delivery of the Production Statements at such a late date as to preclude both criticism by the customers, and independent audit by the Comptroller and Auditor General in the Appropriation Accounts of the year to which they form a voucher for final payment. It is perhaps a consideration lying somewhat beyond my province, but it is not the less a fact that the principle that the customers of the factories must repay whatever the factory has expended, while it affords no incentive to economical working, has resulted in the disturbance of the finances of the Admiralty and War Office arising from the inadequacy of the forecasts of the factories as to cost. The Committee will naturally ask: If these surpluses are not to be surrendered or deficits to be voted, how are they to

Chairman—continued.

29 *April* 1891.] Sir R. Welby, K.C.B., Sir C. L. Ryan, K.C.B., Mr. Ryder, C.B., and Mr. Knox, C.B. [*Continued.*

Army Appropriation Account.

Expenditure, 1889–90—*continued.*

Chairman—continued.

to be dealt with? To which I would submit in answer that if the present system is maintained, it almost implies the necessary creation of a reserve fund for the purpose which, as a new departure in Public Accounts, would probably require in some form the sanction of Parliament. I cannot, however, but think that it would be better to take a further step towards making the factories more distinctively into a trading concern so far as their finance is concerned. (a) By the provision of a fixed capital at interest in lieu of large and long outstanding imprests from Army and Navy Votes. (b) By placing the factories in the position of a contracting firm making articles under tender at a fixed price, which should exclude loss, with stringent conditions as to date of delivery. (c) The present Ordnance Factory to be a pure token Vote, such as the Bankruptcy Vote now is, in order to maintain Parliamentary control over salaries, &c. (d) The provision in Army and Navy Estimates to be for so many guns, carriages, projectiles, &c., to be made by contractors, and so many and so much to be expended in procuring them from the Ordnance Factory, to be paid for on delivery in both cases." That, I think, would be a preferable scheme to the present system of finance at the factories.

1047. To put it shortly, at present the Ordnance Factories are worked on the system of having their money in advance from their customers, are they not?—Yes.

1048. And payments are made for what they produce in that way?—Payments are made by the customers both for articles produced and for articles still in course of manufacture.

Mr. *Jackson.*

1049. When you say "in advance," does that mean in advance of semi-manufacture?—Not in advance of semi-manufacture; in advance of the delivery of the finished article.

Chairman.

1050. You propose in future that the Ordnance Factories should work with capital, and that they should only be paid for goods supplied?—Yes.

1051. Do I understand you that there should be no payment on account?—I should prefer that there should be no payment on account. Payments on account are an economical arrangement when the Government is dealing with a contractor, because many of these articles take a considerable time in manufacture, and if a contractor did not receive a payment on account he would have to employ so much more of his own capital, and he would charge for it a higher rate of interest than the Government could borrow it at, and the Government would, therefore, lose to that extent; but where you are dealing with a Government concern I would prefer that the capital should be rather enlarged, so as to make it unnecessary to make advances on account.

1052. Do I understand that you would not

Army Appropriation Account.

Expenditure, 1889–90—*continued.*

Chairman—continued.

have payments on the completion of specified stages in the production of a gun, for instance, like you have in the case of contractors?—I think that really is a matter of detail, and would not affect the principle which I am proposing. That might be decided, as was thought best, either way.

1053. What would become of the production voucher; would it be necessary any longer to have production vouchers?—There would be no production voucher, because the article itself would be substituted, so to speak, for the production voucher. In other words, it would no longer be necessary to have the production voucher in support of the payments in the Cash Appropriation Accounts.

1054. Would you need a production statement to enable you to examine the accounts of the Ordnance Factories?—If by the term "Accounts," is meant the Cash Claims, the Ordnance Factories would require no more evidence than the contractors; that is to say, the same machinery for passing the finance that is now necessary in the case of contractors would apply to the Ordnance Factories. The Ordnance Factories would, for instance, send in a claim for so many guns delivered, and would be paid accordingly, just like an ordinary contractor.

1055. (To Mr. *Knox.*) Has this plan suggested by Sir Charles Ryan been considered at the War Office?—No, it has not. I understood, a few days since, that Sir Charles Ryan was going to make some remarks with regard to the general arrangements of the Vote, and that is the only consideration that has been given to the question.

1056. You have given some personal consideration to the question, I understand?—Yes. It raises, of course, very large and many very important and intricate questions also, and without very thorough consideration, I do not think it could be adopted. The suggested change is, no doubt, made, and fairly so, with reference to what has happened in the first two years of this new system that was introduced at the factories. We are thoroughly aware that the system which existed in those factories for bringing out the actual charge as against the different Departments was deficient. A Committee, as this Committee is aware, have been taking up these points in order to perfect the system of accounts, and, as I stated at the last meeting of the Committee at which I was examined, they have every hope of establishing a system which will put an end to these inaccurate estimates of the progress of expenditure which certainly existed in the first two years of the system. As I understand it, Sir Charles Ryan practically assumes that in future those estimates will be inaccurate, and that it is because of the difficulty of making accurate estimates that he suggests this change. Of course, if these estimates can be made accurately, as it is hoped they will be, I think the main argument for a departure from the actual charge system as a final charge against the account, and the substitution for it of an estimated charge, falls to the ground. That is

Army Appropriation Account.

Expenditure, 1889-90—*continued.*

Chairman—continued.

my own view upon the suggestion of Sir Charles Ryan.

1057. When you speak of the difference between the actual charge and estimated charge, you mean, I presnme, that at present, if you supply, we will say to India, a number of magazine rifles, the Ordnance Factories are ultimately paid the actual cost for them?—They are.

1058. Whereas, if you were to fix the price and charge them so much for rifle, that would be an estimated charge?—Yes. On the whole there might be a gain or there might be a loss. If there were a loss, Parliament would have to vote it; if there were a gain, of course, it would be surrendered. But if we had had to adjust the estimates of the last two years by the actual charge subsequently as worked out, Parliament would have had to vote some considerable sums, not for the service for which the charge was really incurred, but as a deficiency upon the Ordnance Factories, which might have arisen from Army deficiency, or Navy deficiency, or Indian deficiency.

1059. Do I rightly understand you to suggest that a little more experience may enable you to overcome the difficulties which have been found in working the present system?—That is strongly my opinion; I do not think we have got sufficient experience. We have not had hitherto the advantage of carrying out thoroughly the recommendations which have been submitted from time to time by the Departmental Committee which is now sitting.

1060. One of the difficulties has been, has it not, the difficulty in obtaining adequate advances of cash from some of the customers of the Ordnance Factories?—That was a point in what Sir Charles Ryan said, to which I should like to make some allusion. It is quite true that on these two accounts, as stated, there has been a deficit; but the deficits were due to very different causes. In the first year the deficit arose from the fact that we had not received the advances, that we had not departmentally arranged to receive the cash from India and the Colonies, and so on; and therefore, under the strict financial rule adopted with regard to the other accounts, we were not able to credit the Vote; that is, in accordance with the view adopted by the Comptroller and Auditor General, and supported by this Committee. But this year the deficit arises from quite a different cause, namely, the extra charge for capital; for which, if we had been aware, or if it had been determined that it should be incurred as a capital charge at the time the estimate was presented, we should have asked for a Vote from Parliament.

1061. You are referring particularly, I presume, to the manufacture of the magazine rifle?—Yes.

1062. In order to carry out that manufacture, you had to alter a quantity of machinery, and you have separated from the charge which you propose to throw upon your customers a certain amount which you propose to spread over a certain number of years as capital expenditure for the machinery necessary to produce the magazine rifle; is not that so?—Yes.

1063. That occasions a deficit in the account for this particular year?—Quite so.

1064. Do you see any mode of overcoming that difficulty with regard to that deficit; year by year, I presume, there may be new articles to produce which would need capital expenditure; do you see any mode of providing yourself with capital for the purpose, and so avoiding a deficit?—With regard to the expenditure which is incurred from year to year, it has been the endeavour of the department to cover it by a depreciation charge against the capital account, which forms an ingredient of the cost of manufacture, and we have endeavoured to keep within that margin or limit. But it has so happened that in consequence of the great expansion of the manufacture of warlike stores, it has been necessary to increase the expenditure considerably beyond such a limit as that, in the case of some of the factories; and on that account we have taken a Vote. But I should think, and sincerely hope, that the time for requiring to take a Vote in excess, beyond what would be covered by our depreciation charge, has now already come to an end, and that we should not require any excess in future. The Vote presented this year is practically a nil Vote.

1065. Do you propose to go on dealing with deficits year by year in the way in which the deficit was dealt with last year?—As regards deficits owing to such causes as existed in the first year, we have practically arranged that those shall not recur, and we shall get advances from all our customers as regards such a case as that. As regards the case referred to in the Report, we should hope, as I said, that we have come to the end of our demands for capital charges beyond what would be covered by the depreciation; but, of course, should an emergency arise, should it be necessary, for instance, to put up some buildings for the production of some special gunpowder or special shells or torpedoes unexpectedly, which would cause an excess, we should certainly come to Parliament and ask for a Supplementary Estimate.

1066. I had better, perhaps, just take you through this statement of Sir Charles Ryan. There is a difficulty, he points out, with regard to the Production Statements under the present system, that apparently they cannot be got ready early enough for his audit; what have you to say upon that?—That, perhaps, is a little contradicted by the statement which Sir Charles Ryan made on the last occasion, which was, it is true, based on an assumption. I said that the Production Account, I calculated, would be ready in July, and, I think, he then stated that if it was ready in July that would be early enough.

1067. Was it ready in July?—It was not, but under

29 *April* 1891.] Sir R. Welby, K.C.B., Sir C. L. Ryan, K.C.B., Mr. Ryder, C.B., and Mr. Knox, C.B. [*Continued.*

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Expenditure, 1889-90—*continued.*

Chairman—continued.

under the system as, we hope, it will be improved, and on which the Committee are now working, we expect it will be ready in July.

1068. (To Sir *C. L. Ryan.*) That would meet your difficulty with regard to the Production Statement, would it not?—Certainly, if promise and performance agree in that matter.

1069. Have you any reason to doubt the possibility of the performance of that promise?—I think there will be considerable difficulty in carrying out the promise. Hitherto the difficulty has consisted in the fact that the War Office has been unable to complete the Appropriation Account till towards the close of the year. Until this is done, I do not see how you can ascertain what amount should be charged to the productions for indirect expenditure. I presume there is some method in contemplation by which that would be got over; but I do not know what it is.

1070. (To Mr. *Knox.*) The next point Sir Charles Ryan referred to was "that the principle that the customers of the factories must repay whatever the factory has expended, while it affords no incentive to economical working," tends to disturb the financial arrangements at the War Office; would you agree to that?—Only where the estimate of the progress of expenditure is found ultimately to be inaccurate.

1071. Sir Charles Ryan says the difficulty arises from the inadequacy of the forecasts of the factories as to cost of production?—Quite so; it is certainly expected, in consequence of the changes about to be made, that these forecasts will be very much more accurate.

1072. (To Sir *C. L. Ryan.*) I think you might perhaps like to explain a little more fully to the Committee the exact effect of this principle that the customers must repay whatever the factory expense is upon the working of the War Office and Admiralty?—Of course I base my Memorandum mainly on the experience of what has occurred. I am not in possession of the views or arrangements or alterations which the Departmental Committee may or may not have come to. How far their arrangements will enable them to meet the difficulties that have occurred, I am not in a position to say at all. Up to this present moment there is no doubt that the inadequacy of the forecasts as to expenditure on the part of the factories has disturbed the finances of the War Office and the Admiralty. It has caused Supplementary Votes, and has caused difficulty in knowing how a Vote stood at any particular time; because whatever the factory spends, that the department must advance.

1073. Obviously, therefore, there is greater financial difficulty in the War Office and Admiralty under this system than there is under the system of contractors?—Yes; because if the factory were placed in the position of contractors the finance departments of the War Office and Admiralty would know exactly what their liabilities were; they would know that they had

Army Appropriation Account.

Expenditure, 1889-90—*continued.*

Chairman—continued.

agreed with the factory to buy so many rifles at such a cost, and they would know consequently that they could not be asked for a larger amount than the amount which was taken in the Estimates. If the factory manufactured a larger amount than they anticipated to manufacture at the commencement of the year, the charge must go against their capital for the time being, but could not be charged to the Army and Navy Votes unless by a Supplementary Estimate brought in for the purpose. Of course the factory might in the converse case not manufacture up to its agreed number.

1074. Supposing it could not deliver its agreed number by the 31st of March, what would happen?—Then there would be a saving on the Army and Navy Votes. (Mr. *Knox.*) My own opinion is that it is too soon to make a change. We know very well that there are matters in the factories which are capable of considerable improvement in order to get at an accurate result; and we certainly hope that when those improvements are completed we shall be able to carry out the scheme originally proposed very satisfactorily.

1075. You think you will be able to estimate the cost much more accurately?—Certainly, much more accurately.

1076. Then Sir Charles Ryan's next contention is that under the present system it would be necessary to have a reserve fund; I think you suggest that the difficulties which arose last year will not recur again?— No. They arose from our not getting the cash from our customers to credit the Vote with. We have now made arrangements to overcome that difficulty.

1077. Do you think it would be possible to do without a reserve fund?—I do not see any necessity for a reserve fund.

1078. Then coming to the precise proposals which Sir Charles Ryan makes, would you desire to criticise any of the suggestions which he makes under various heads. For instance, he suggests that the factories might be placed on the lines of a trading concern, with fixed capital, making articles at a fixed price, a token Vote being taken, and provision being made in the Army and Navy Estimates for so many articles to be made by contractors, and so many to be procured from the Ordnance Factories, to be paid for on delivery?—I think, perhaps, I should like a little more time to consider that proposal, but I think I may say that in my first remarks I mentioned the main objection that I should have to it, namely, that it gives up the principle of making a charge against the Army and Navy, and the various customers, of the cost which has actually been incurred, and leaves for adjustment, by means of a Vote of Parliament or a surrender to the Exchequer, any difference that may arise between the actual and the estimated price. I think there are objections to that; and if we can work upon the actual price, ascertaining the results within four months of the end of the

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Expenditure, 1889-90—*continued.*

Chairman—continued.

financial year, I think it far better to adhere to that.

1079. Do you think there would be an advantage to Parliament and the public in seeing more clearly what were the prices paid to the Ordnance Factories for an article as compared with the prices paid to contractors?—That all appears clearly in the Production Account. What is the price or cost at which each article is turned out, appears distinctly.

1080. Then you think you accomplished that object quite as well by the system of charging the actual cost as by the proposed system of charging fixed prices?—Certainly. I do not know whether I quite understand Sir Charles Ryan's proposal; he seemed to suggest that there should be no Production Account. I think it is of the utmost importance that the actual price at which the factories turn out an article, that is the actual expenditure, should exist and should be tested most accurately. (Sir *C. L. Ryan.*) I spoke of the Production Voucher to the Appropriation Account, not of the Manufacturing Account.

1081. (To Mr. *Knox.*) You do not think there would be any difficulty with regard to the Production Account?—Certainly not.

Mr. *Arthur O'Connor.*

1082. Have you seen before to-day this Memorandum of Sir Charles Ryan?—I heard it a few days ago.

1083. Have you had time to consider it?—I have turned it over in my mind since I heard it a few days ago.

Chairman.

1084. (To Sir *Reginald Welby.*) I think you have had these suggestions of Sir Charles Ryan before you at the Treasury, have you not?—Sir Charles Ryan has been so good as to give me a copy of the Memorandum which he has just read to the Committee. Of course this important proposal has not been officially before the Treasury, and therefore has not been discussed there, and any opinion which I might venture to put before the Committee must be under very great reserve; practically I can do little more than give a personal opinion on the matter. Under that reserve, and speaking from a purely financial point of view, I think the Treasury would incline to regard favourably the proposals of Sir Charles Ryan. When the Treasury assented to the creation of the Ordnance Factories in their present form, they, as a financial Department, desired to place the great manufacturing Departments of the Government on the footing of a trading concern, and their special object was to provide Parliament with the means of comparing the cost of the work done in the Government Departments with the cost of similar work done for the Government by private traders, and no doubt they would incline to think that for that purpose the financial transactions the Government Departments should be as far as possible independent of the other Departments of the State, in order that the Ordnance Factories should be entirely

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Expenditure, 1889-90—*continued.*

Chairman—continued.

self-supporting. The reason which I venture to put forward in support of that is that in that case the Accounts of the Ordnance Factories would make clear whether they charge enough for the work turned out under a proper system of payments made to them. If a deficit were shown upon the Account there would be a *primâ facie* reason for thinking that they did not charge enough, and of course *vice versâ.* The proposal of the Comptroller and Auditor General seems to me to rather tend in that direction, and so far I would venture to think that the Treasury would incline to regard it favourably. But as a matter of fact no doubt the change is a considerable one, as it is at variance with the generally established principles upon which the finance of a Government Department is conducted; and I do not think the Treasury would like to express any decided opinion upon it until the suggestion made by Sir Charles Ryan has been thoroughly examined and discussed by the officers of the two great Departments who are the customers of the Ordnance Factories, and of course also by the experienced officers of the Ordnance Factories themselves; because until the advantages and disadvantages of the proposal have been thoroughly weighed, and in fact until the Treasury are satisfied that the change is not only desirable in itself but is thoroughly practicable, I certainly think the Treasury would consider that the Government were not in a position to make so great a change as this.

1085. What I understand you to say is, that you think these suggestions are very important and should be very carefully considered at the War Office, the Admiralty, and the Ordnance Factories, and that before expressing any positive opinion the Treasury would like to hear what the War Office and these other Departments have to say?—That is my view. That is to say, Sir Charles Ryan, with the considerable independent experience which he has, has raised a very important question which deserves careful consideration by the Government; but before any opinion worth putting on record is given, it should be thoroughly discussed by those experienced practical persons who can best tell whether it is practicable or not.

1086. I understand your principal reason for looking rather favourably at the suggestion, subject to the reserve which you have expressed, is, that you think such a system would place the Ordnance Factories more completely on the lines of a trading concern in the way that has always been desired by the Treasury?—I think so; that is how it strikes me on reading the Memorandum as put forward by Sir Charles Ryan.

1087. You think that it would be easier to observe, under the new system, whether on any particular class of articles which were being produced by the Ordnance Factories there was either a profit or a loss being made?—It appears to me that this system puts the officers of the Ordnance Factories Department more in the position

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Chairman—continued.

position of ordinary traders. If I go to an ordinary trader and make a contract with him, he has to calculate his price beforehand, and at the end of the year he finds out, by his profit and loss account, whether that contract has paid him. In the same way I should presume the gain or loss would be more patent if the Department made its estimates on the same principle. If it made, for instance, too low an estimate, the deficit resulting from the account would show it to the Government Department concerned.

1088. I understood Mr. Knox to point out that that object is already secured by the present system?—It appeared to me that the other system, to which Mr. Charles Ryan alluded, would show it more clearly. I do not think it comes out quite so clearly when there is an adjustment necessary at the end. I think, therefore, that the present system of accounting does not bring it so clearly before the public.

1089. (To Sir *C. L. Ryan.*) Perhaps you would like to explain how you think your system would work in that respect as compared with the old one?—I think that if the factories made articles at a fixed price they would be necessarily compelled to observe greater accuracy in their preparation of Estimate of Cost; and that, if inaccurate, the fault would be more clearly shown under a system of Profit and Loss, than by the present statements of Surplus or Deficiency upon the Ordnance Factory Votes. We should, in examining the details of the account, which would in no way be affected by any change of this kind, follow up the processes just as we follow them up now, and ascertain whether or not the price which had been asked for covered the cost. If it did not, there would be a gain or loss as the case might be, and in the next contract which they made with that customer of course they would make an adjustment accordingly, as an ordinary contractor would do. Now the cost price of the article as brought out afterwards is shown in the Manufacturing Account, but it is not in the Estimates. When you look at the Estimates of the Army or Navy, you find there nothing which would guide you as to the price at which the Ordnance Factories would supply the article to the Army or Navy; you can only ascertain the facts months afterwards.

1090. (To Mr. *Knox.*) Perhaps you would like to say a word upon that point?—I do not know that I quite follow that criticism. No Estimates that I know of show the prices at which it is proposed to buy any stores supplied to the Government, and I do not see that there is any advantage gained by forming an idea as to what the cost of a particular article would be, and making that a charge against the Estimate, and then ascertaining subsequently that the actual charge incurred was something different from that. I do not see that there is anything gained by that. It may show some skill, or the reverse, on the part of the Ordnance Factories authorities in forming an estimate, but it appears to me that is all you gain by it.

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Chairman—continued.

It is far better that the actual charge as shown and as vouched for and as ascertained by the audited Account, should be charged against the Army and Navy for the expenditure that is incurred.

Mr. *Jackson.*

1091. (To Sir *C. L. Ryan.*) Supposing that the Estimate were made as suggested, would it under your scheme be proposed to charge to the Department only the amount of the estimated cost?—Yes, that is so; that is to say, if a Department entered into a contract, only the amount of the contract would be chargeable agains tthe Vote.

1092. Supposing there were a deficit at the end of the year, what would you do with it?—It would be a question not of a deficit, but of a profit or loss.

1093. Supposing there were a loss, what would you do with it?—It would be charged against the capital.

1094. Where would you provide the capital from?—The provision of a capital fund to start with is of the essence of the plan.

1095. Let me put this case: suppose an estimate for four guns, one of which was to be supplied to the War Office, one to the Admiralty, one to the India Office, and one, say, to the Colonies; and supposing on the estimated price it were found that the actual cost left a profit upon the War Office and Admiralty guns, but a loss upon the Indian Office and Colonial guns, would not the effect be to relieve one class of taxpayers at the cost of another?—I am a little bit afraid of getting into technical questions there, because I presume there would not be a difference of price unless the forging happened to go wrong in the case of one gun, and did not go wrong in the case of another gun.

1096. That is possible, is it not?—That is quite possible; but I think that is rather going into technical questions. I have put forward my suggestion as a question mainly of finance, and mainly with the view of getting rid of what seemed to me to be financial difficulties. I put it forward only because I was objecting, so to speak to the ordinary course of voting a deficit in the case of an account which shows a deficit, and I felt I had no business to make that objection, unless I had some proposal to put in its place. But I admit, as everybody admits, of course, that this proposal does involve very considerable changes, and that it cannot be satisfactorily discussed except by experts in the first place, and, upon their report, afterwards by the financial authorities.

1097. Of course, the financial disarrangement of a Department may be produced in one of two ways, either by an excess of work which has to be paid for, or by a short return of work which leaves a surplus?—Yes.

1098. Of course, that may happen under a contractor as well as under the present system of the Ordnance Factories?—Not an excess, but a short return. (Mr. *Knox.*) An excess can occur too.

1099. (To Sir *C. L. Ryan.*) It would depend,

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Expenditure, 1889–90—*continued.*

Mr. *Jackson*—continued.

of course, upon your contract?—Yes. What I mean is, it can be guarded against in the contract.

1100. To some extent, no doubt, it could; but it might be that you might make it a contract deliverable within a specified date, and the article might be delivered within the financial year in which it was not contemplated?—It might be, but it would not be within the contract.

1101. It would be within the contract if it might be delivered at any time, say, within two years?—Of course, it would be within such a contract as that; but the words of my Memorandum are "with stringent conditions as to date of delivery." I contemplated that as a necessary condition.

1102. But if you fix stringent and rigid dates of delivery, might not an accident in the factory or delays arising from inability to get particular material involve the surrender of money which had been voted for that particular purpose because it was not delivered within the year?—Of course such surrenders happen every year on the Contract Vote.

1103. And therefore financial disarrangement may occur under the one system as well as under the other?—On one side of the account, certainly; but, in the case of the factories, there is a third element of disturbance, namely, the inaccuracy of the forecasts of probable cost.

Sir *John Lubbock.*

1104. As I have only to-day heard for the first time of these suggestions, you will understand that I am not asking any questions with a view of indicating any opinion upon the matter, but merely to clear up my mind upon the subject; would there not, then, be this drawback in the plan you propose; supposing certain guns manufactured for the Army turned out to cost more than was estimated, would not the result be that the real expenditure of the country on the Army Vote would be greater than was apparently shown in the returns presented to Parliament?—No, not upon the Army Vote, because the expenditure would not fall upon the Vote. The increased expenditure would fall upon the Capital Account of the Factories, but not upon the Vote.

1105. It would not show the full extent of the cost of the Army?—The Army Account would not show the full extent of the cost in that particular year, but it would not affect the question of the Vote.

1106. Supposing the cost of the guns exceeded by 50,000 *l.* the estimate, would not the result be that the nation would be spending 50,000 *l.* more upon the Army than would appear from the returns presented to Parliament?—Not more than would appear from the Ordnance Factories Account when you got it.

1107. But we should have to correct the Army Vote by the result of the Ordnance Factories Account?—In a sense you would, if you wish to

Army Appropriation Account.

Expenditure, 1889–90—*continued.*

Sir *John Lubbock*—continued.

arrive at the real expenditure of the country on the Army.

1108. At present, as I understand, we can compare the actual cost of the guns made by the Government with that of those made by outside contractors, because we get the actual results and the prices; but should we be so well able do so under the plan proposed by you, we should only have, as I understand, the profit and loss account of the factory?—No; you would have the Factory Account here exactly as you have it now.

1109. Would it not be more difficult to extract from that account the actual cost of the particular guns. At present the cost of guns is shown in the returns because the actual cost is charged in the Army Vote; but would there not be additional difficulty, under the system proposed by you, in picking out the cost of particular guns from the returns of the Ordnance Factories?—The present Army Vote does not give you the cost of the guns; it does not help you to anything more than what you have already, and would have in the future in this Manufacturing Account.

1110. Would not the Appropriation Account give it?—No; it tells you the total amount expended, but it does not tell you what is spent upon the guns; it does not enable you to follow it, except in connection with the Production Voucher or Statement.

1111. I suppose the Army Department could follow it, although it might be difficult for outsiders to do so?—The Army Department, as the head of the factory, can, of course, get any information they want.

1112. They would have to go specially to the factory for information upon that point; it would not be shown in the accounts?—No, not in the Army Appropriation Accounts.

1113. Would not the result be that to outsiders there would be more difficulty than at present in instituting a comparison between the expense of manufacture by the Government and by outside contractors?—I do not see that it would be so at all; I think they would have the same basis of comparison in the future as they have now. At the same time, I do not know that any means now exist of making such comparisons.

Mr. *Arthur O'Connor.*

1114. I am under the disadvantage of having this proposed change presented to my mind without any preparation for it; but I just want to ask you one or two questions in order that I may understand it better. I gather from your Memorandum that your principal reasons for suggesting an alteration of the present system are the delay in rendering the production vouchers and the uncertainty of the estimate of cost. The delay in the rendering of production vouchers may be due to merely temporary causes; have you any reason to suppose that the production vouchers will not be available earlier in future years?—I cannot say that the War Office

will

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Expenditure, 1889–90—*continued.*

Mr. *Arthur O'Connor*—continued.

will not be able to do what they say they are going to do, and give it in July.

1115. (To Mr. *Knox.*) May we assume that the production vouchers will be available earlier?—The opinion has been expressed to me by those who have been working upon this Committee to which I have referred, that they see no reason why the production vouchers should not be complete by July.

1116. (To Sir *C. L. Ryan.*) Then with regard to the other ground, the uncertainty of the estimate of cost, I suppose that the estimates may be somewhat uncertain whatever system you adopted?—Of course estimates must have an element of uncertainty in them.

1117. In order to put the factory in a safe position, it would be necessary to estimate at any rate so as to have no loss, which really means a profit, however small?—Yes; but the fact of the factories having to supply at fixed prices would, I think, secure greater accuracy of estimate.

1118. Then the factory would be in the position of an ordinary contractor working for a profit, though the profit would be smaller than that of an ordinary contractor?—Yes.

1119. Do not you think that that would ultimately result in the open market contractors contracting for those things on which they could run the factory close, and leaving the factory really to contract for those articles upon which it was impossible for the contractors to make anything like a reasonable profit?—That would be a matter for administration as regards the placing of the contracts, which I am afraid I cannot speak to.

1120. If it did eventuate in that manner, the factory might, from an administrative point of view, be in a very disadvantageous position?—That really is going into a point which is beyond me; that is a matter of administration as to setting out the contracts which I am not in a position to consider. Of course that would be one of the points which any committee which inquires into a plan of this kind would have to consider very carefully.

1121. If a factory was working at a loss on some articles, and at a profit on other articles, it might be that the profit on the one would balance the loss on the other?—So far as the ultimate charge went.

1122. Then there would be no drafts upon capital?—In that case there would not.

1123. And yet your estimate might be very seriously out sometimes in one way, and sometimes in another?—Yes; but the differences would be shown on the Manufacturing Account.

1124. Then if there was a draft on capital, would the hold of the House of Commons be as complete upon the expenditure in connection with those stores as it is at present?—I think so, by means of the report which you would have upon the Manufacturing Account.

1125. Would you leave the capital to work itself up again in a subsequent prosperous year by larger profits, or would you suggest that

ARMY APPROPRIATION ACCOUNT.

Expenditure, 1889–90—*continued.*

Mr. *Arthur O'Connor*—continued.

there should be a separate Vote whenever there was a draft upon capital to replace what was required?—That is an important question, and one which I should not be able to answer at the moment.

1126. On the latter supposition, of course, the House would be formally seized with full knowledge of the situation; but unless that was done it appears to me that the House would lose its hold upon the expenditure?—I need hardly say nothing could be further from my idea than anything tending to loss of control on the part of the House of Commons. It would be really my study that the Report of the Comptroller and Auditor General should make the information at the disposal of the House of Commons quite as full as it is now, in no sense allowing any diminution of their control.

Mr. *Webb.*

1127. I suppose if your plan was sanctioned by Parliament, and adopted, there would be a Vote for capital as well as a Vote for the current expenditure?—I should think in all probability that the placing of the capital, which would be large, certainly not less than a million, would require an Act of Parliament.

1128. I was going to ask the probable amount of the capital; you think it would be about a million?—Something of that sort.

1129. Supposing the proposed plan were in progress, would not the ordinary estimates for the expense of the factory in regard to matériel disappear from the Estimates, and should we not have only the estimates for the articles supplied by the factory; at present there is an estimate for so many foremen and workmen; would that appear?—No information that is now given would be withdrawn.

1130. There would not be a grant for these men's wages, would there?—There would be a token Vote, which would contain the information just as in the case of the Bankruptcy Vote at present.

1131. The Vote that would be asked for would show so much ordnance, so many rifles, and so many bayonets, and so on, would itnot?—It would not affect the question of the salaries at the factories, if the honourable Member is referring to that.

1132. As I understand it, the estimate asked for shows so much for the Director General, so much for the first Assistant Director General, and so much for the second assistant, so much for lodging allowance for so many superintendents, so many principal clerks, senior clerks, and junior clerks, and so on; would not all that disappear from the Estimates, and in place of it would not the cost of ordnance be included?—No; there would be all the information of that kind still given in the Estimates.

1133. Would you include in your scheme the Army Clothing Factory?—I have not at present done so. I had quite enough to think of in dealing with the Ordnance Factories.

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Expenditure, 1889-90—*continued.*

Mr. *Barran.*

1134. I think I understood you to say that your main object in making this proposal is to put the manufacturing departments on a commercial basis?—That is what I thought it would have the effect of doing.

1135. You think that a million of capital would be required for the purpose in connection with the Small Arms and Ordnance Departments?—Yes; because that includes practically, advances for semi-manufacture. That is the basis of the estimate.

1136. Supposing that amount of capital to be granted by Parliament as a fixed capital; supposing a loss to accrue in any particular year, what guarantee would you have that that loss, having been sustained, might not be made up from putting on to the fixed plant a larger value than the plant should be taken at; that is to say, what guarantee would you have that the Department itself might not be induced to value its plant at a higher figure than it should be valued at if there were no loss sustained?—As regards the machinery, at present a record is kept of the value, which is ascertained, and that value could be watched, and if it was found that there was anything which looked, so to speak, like a manipulation of the account for the purposes of bringing out a profit larger than there really ought to be, or a loss less than there ought to be, that would come out in the Report on the Manufacturing Account.

1137. That answers my question, so far as the machinery goes, but how would it be so far as the work and machinery are concerned?—That would be checked by information at our disposal.

1138. You think that there is no danger of their being over-estimated?—I do not think there is.

Sir *Richard Temple.*

1139. Is this million of capital to be voted by Parliament?—It would have, of course, either to be voted or to be granted by Act of Parliament.

1140. In that case it would have to appear in the Budget of some year, would it not?—It is not necessary to effect it in that way. It might be borrowed from the National Debt Commissioners.

1141. In that case the working of the factory would be all clear, because there would be a profit and loss account?—Yes.

1142. (To Mr. *Knox.*) In the case you mentioned, with regard to the magazine rifles supplied to India, do I understand you to say that in some cases their might be a deficit, which would have to be voted by Parliament, and in other cases there might be a surplus, which would be a gain to the Department?—Yes.

1143. Supposing there was a deficit, how would that be recovered from India; would it be recovered?—Not according to the plan suggested by Sir Charles Ryan.

1144. But according to your system?—According to the way we are endeavouring to work the accounts we make the actual charge; whatever the account shows the rifle cost, we charge India.

1145. There is no question of surplus or deficit under your system?—Quite so.

1146. Your plan is one I have often heard of and seen before, but is there not this difficulty always as regards the actual cost in a factory of this kind; there is no allowance, is there, for plant?—Yes, there is.

1147. Do you, in the cost of the magazine rifles manufactured in a particular year, charge so much on account of a supposed interest upon plant?—A depreciation we call it. Our present charge is a charge of 10 per cent. upon capital expenditure on machinery.

1148. There is no allowance for the original capital cost of the machinery?—There is no charge for interest upon it.

1149. Were the buildings all originally paid for by the State out of current revenue?—Yes; on the Army Estimates.

1150. And for that there is no allowance made?—Only in the shape of a depreciation charge.

1151. Depreciation is a totally different matter, is it not?—Yes, of course; it is not a charge for interest; but the depreciation charge is a considerable one. It is 10 per. cent upon machinery and 5 per cent. upon buildings.

1152. Is that depreciation charge arranged so as to represent the real depreciation, or to include some idea of interest?—It is in excess of the real depreciations.

1153. So that it may in some degree be regarded as an allowance for capital cost; is that it?—Yes.

Mr. *Jackson.*

1154. Is it 10 per cent. plus maintenance and renewals?—Yes.

Sir *Richard Temple.*

1155. After hearing all that has been said this afternoon, do you still adhere to your plan?—I think that the charges against the Army and Navy Establishments, and against their customers, should be the actual charges as ascertained by our Account. The only objection I see to the present system would be one that has existed up to the present time, I admit, namely, the delay in getting out the results; but we hope to be able to get those results out very much more rapidly, and early, and then I cannot see that any objection holds.

1156. Would Sir Charles Ryan's plan rather facilitate a comparison between your contract charges, and the outside contract charges?—No.

1157. It would make no difference in that respect, you think?—None whatever.

Mr. *Barran.*

1158. You have a Departmental Committee now sitting, have you not, who are arranging for improved administration in the different Departments?—Yes.

1159. I think

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Chairman.

1159. I think I ought to thank Sir Charles Ryan for communicating this important suggestion to us. The Committee will, of course, give it careful consideration, as, no doubt, will the Departments concerned, and I may say, the consideration of it by the Departments is even more important than the consideration of it by this Committee.

Mode of accounting for Repayment Services of the Ordnance Factories.

Chairman.

1160. (To Mr. *Ryder.*) I think the view of the Treasury was that a separate Account should be opened at the office of the Paymaster General for the Repayment Services of the Ordnance Factories, their object being that the expenditure of the Ordnance Factories should be met out of repayments by the customers of the factories. The War Office have suggested that your object would be more conveniently secured by the Account of the Ordnance Factories, being for all practical purposes isolated in the War Office Books, and the Comptroller and Auditor General states that the Treasury have agreed to this arrangement being adopted by way of experiment for one year; I think that the Treasury regard this merely as an experiment for one year; is not that so?—That is so; for the year ending 31st of March 1891.

1161. Will the question be reconsidered by the Treasury after the experiment of the year?—The Treasury is expecting to hear from the the War Office upon the subject.

1162. (To Mr. *Knox.*) What is it proposed to do upon this subject?—We shall report the experience of our experiment, as the Treasury expect a report, and request permission to pursue the course we have hitherto adopted.

1163. You are satisfied with the experiment?—Quite.

Credit of Value of Refuse Stores.

Chairman.

1164. (To Mr. *Knox.*) With respect to the credit of the value of refuse stores, the Comptroller and Auditor General states that it has been arranged that from the 1st of April 1890 the sums credited as reliefs to production in the Ordnance Factories Accounts will be the actual amounts realised by the sale of the stores; is that so?—Yes; that has been arranged.

Issue of Army Funds to the Ordnance Factories in anticipation of Vote.

Chairman.

1165. (To Mr. *Knox.*) In our Fifth Report of last year, paragraph 3, we recommended that Parliamentary sanction should be obtained for the estimate by taking the Ordnance Factories Vote at the commencement of the year at the same time that the Army Vote for Numbers and Vote 1 are taken. The recommendation was too late to take effect with regard to the Estimates last Session, but I think this Session that has been done, has it not?—Yes, it has.

1166. The Vote was obtained at a very early date, I think?—Before the end of the financial year.

Army Approriation Account.

Issue of Army Funds to the Ordnance Factories, &c.—*continued.*

Chairman—continued.

Suspense Account of Sums not received in 1888–89.

Chairman.

1167. (To Mr. *Knox.*) The Comptroller and Auditor General, in his Report, shows in detail what were the results of the decision of the Public Accounts Committee, that a deficit of 79,684 *l.* 0 *s.* 7 *d.* should be charged against the Accounting Officer until it is realised. I observe that a very large number of adjustments have had to be made; would you say generally of those adjustments that day were unusually large on account of its being the first year of working the new system?—Yes, combined with the fact that we have not received the advances from the Departments who are our customers.

1168. You have not received, particularly from India, sufficient advances, I understand?—We had not.

1169. I see a great many errors have to be adjusted in respect of incorrect credits to India and incorrect debits to India to a very large extent?—Yes; those no doubt arise from the fact of inexperience on the part of those who were working the accounts in this year, and from the fact that the accounts were not practically adapted for the purpose for which they were used under somewhat pressing circumstances.

1170. The amount that remained after six months outstanding against India was reduced to 17,107 *l.* and odd; but the Comptroller and Auditor General states that of the difference of 36,000 *l.* 2 *s.* 8 *d.*, between that sum and the amount outstanding at the end of the financial year, only one adjustment amounting to 15,607 *l.* and odd represented actual receipts of cash from the Government of India?—Yes, I think that statement may be generally accepted. But the letter which was written on the 16th of January 1891, given at page 17 of this Report, states how the account stood at that time, showing that 13,207 *l.*, was the amount outstanding as regards India, and the account as regards the Colonies stood at 207 *l.* which was already met by imprests and is now recovered; and against the contractors the account stood at 779 *l.*, all of which is adjusted except 667 *l.*, which is still outstanding.

1171. You do not anticipate, now that you get full advances from the customers of the Ordnance Factories, that such errors will again creep into the account?—We do not anticipate such deficiencies; we hope that, so far as this is due to want of understanding between the dif-

Army Appropriation Account.

Suspense Account of Sums not received in 1888–89—*continued.*

Chairman—continued.

ferent Departments who were mixed up in these transactions, it will not recur.

1172. (To Sir *C. L. Ryan.*) Do you wish to say anything further upon this point?—No, I think not.

Mr. *Arthur O'Connor.*

1173. (To Mr. *Knox.*) I suppose these half-dozen entries as between Vote 12 and other heads are out of a very large number of entries?—Yes, a very large number.

1174. And under an entirely new system?—Yes.

Omission from Appropriation Account, 1888–89, of Sums actually received.

Chairman.

1175. (To Mr. *Knox.*) The Comptroller and Auditor General reports that sums amounting to 1,100 *l.* 4 *s.* 9 *d.*, which had been actually omitted from the Appropriation Account for the year 1888–89, are still outstanding?—That is so. A portion of it is mixed up with miscellaneous transactions which are mentioned in the correspondence as under sales, which is, I believe, a very difficult matter indeed to adjust. It was mixed up with the general miscellaneous transactions of the factory, and involved a very large number of transactions, and it has been necessary to go through the whole of those, and analyse them, and compare them with the orders, in order to ascertain where the discrepancy has arisen. The Departments, both in my office and also at the Ordnance Factories, are working at it at the present time in order to bring about a reconciliation. As regards 700 *l.*, however, of this 1,100 *l.*, it was according to the views held at the time (and no alteration in those views has been decided upon) right to have excluded 700 *l.* from the account, as representing rents which were really not due to the Ordnance Factories; they were rents that were due to the Army Account.

1176. In your evidence last year you admitted that the whole of the 111 *l.* 4 *s.* 9 *d.* should have been included in the Appropriation Accounts; do you now say that of that the sum of 700 *l.* is rightly excluded?—The 700 *l.*, it has been ascertained, was rightly excluded as representing rents not due to the Ordnance Factories, according to the view then held. It may be decided henceforth that they shall be credited to the Ordnance Factories, by a re-arrangement, by a charge against capital, or something of that kind representing the original expenditure upon these buildings.

1177. I suppose these explanations with regard to the 700 *l.* have not yet come under the notice of the Comptroller and Auditor General?—Not that I am aware of.

1178. The Comptroller and Auditor General states that various further adjustments have been

Army Appropriation Account.

Omission from Appropriation Account, 1888–89, of Sums actually received—*continued.*

Chairman—continued.

approved since the 30th of September last, which have not yet been posted in the War Office books, and that he is unable to offer any observations with regard to them; can you throw any light upon that point?—It was found that there were a very large number of small adjustments which had to be made, and, of course, it was only as they were ascertained and arrangements come to that they could be made. As I understand this, the Comptroller and Auditor General says they have not undergone examination by him, and on those grounds he was unable to offer any observation upon them.

1179. Will these adjustments come in the Accounts of a subsequent year, or how will they be dealt with?—I can hardly say. (Sir *C. L. Ryan.*) They would probably come under observation in the course of a subsequent year, and be dealt with, so far as it is necessary to deal with such small adjustments.

Over-payments for Overtime to Writers at Enfield and Waltham Abbey.

Chairman.

1180. (To Mr. *Ryder.*) It seems that an arrangement was made on the understanding that the overtime for the writers at Enfield and Waltham Abbey should not count for payment until the ordinary weekly working hours of these factories, namely, 54 hours, had been reached and exceeded; but the Comptroller and Auditor General points out that over-payments according to this rule, amounting to 2 *l.* 15 *s.* 2 *d.* at the Royal Gunpowder Factory, and amounting to 92 *l.* 12 *s.* at the Royal Small Arms Factory, have been made, and he adds that the question on this has been referred to the Treasury for decision; how does that matter stand?—The Treasury has allowed the writers the over-payment on the condition that it does not recur.

1181. (To Sir *C. L. Ryan.*) Under these circumstances you would not recommend these amounts for disallowance, I suppose?—No; they are now sanctioned.

Mr. *Arthur O'Connor.*

1182. (To Mr. *Ryder.*) Does the Treasury accept the description of the situation given by the Comptroller and Auditor General in paragraph 8: "A reduction from 54 to 45 hours per week in the number of hours of attendance required from writers employed at the Ordnance Factories was made on the understanding that overtime should not count for payment until the ordinary weekly working hours of these factories (54) had been reached and exceeded"?—I believe that was the understanding.

1183. Does that mean that these writers who have been required to give 54 hours' attendance are now nominally required to give only 45, but in reality may be required to give nine hours extra attendance without getting any pay for it, or any extra

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Army Appropriation Account.

Over-payments for Overtime to Writers, at Enfield and Waltham Abbey—*continued.*

Mr. *Arthur O'Connor*—continued.

extra pay for it?—I think Mr. Knox might be able to speak more certainly upon that point than I can.

1184. (To Mr. *Knox.*) As I understand you tell me that their hours are 45 and you require them to attend 54, and you say you are not bound to give them any consideration or extra payment for the extra hours; is that so?—It is as you state it. Before they can get any extra time they must have completed their 54 hours per week.

1185. These writers who nominally are required to attend 45 hours in reality may be required to give 54 hours?—Fifty-four hours is really their regulated time.

1186. Then what is the meaning of saying that a reduction has been made in the regulated time to 45 hours?—The reduction was made on that understanding.

Mr. *Jackson.*

1187. I suppose before the change if they had not served 54 hours they would probably have had a deduction made from their pay, but there would be no deduction now; is that it?—No. The hours were reduced to 45; but there was an understanding that if their time was required up to 54 hours they should give it without extra payment.

Mr. *Arthur O'Connor.*

1188. In other words, if the work of the Department could be done in 45 hours they should go at the end of the 45 hours, but if the work of the Department required 54 hours they should give the 54 hours, and that should be regarded as the regulated time?—Yes.

1189. As a matter of fact they have had to attend, I suppose, 54 hours instead of 45 hours?—I cannot say.

Mr. *Webb.*

1190. In that arrangement has each week to stand by itself, or do they balance one another?—Each week stands by itself.

Mr. *Arthur O'Connor.*

1191. Does that arrangement still obtain?—Yes, I believe so.

1192. Is there any other class of servants treated in the same way, with a reduction in the nominal weekly hours?—The draughtsmen, I believe, are in the same position.

Sub-Head C.—Materials.

Payments for Increased Weight of Coal caused by Saturation.

Chairman.

1193. (To Mr. *Knox.*) The Comptroller and Auditor General mentions a case in which a contractor claimed a payment of 20 *l.* 11 *s.* 3 *d.* for an increase of weight of coal of 35 tons when it was re-weighed by the authorities at Woolwich, which increase was evidently owing to the coal being saturated with wet; would the contractor who made that claim be further employed; does it not seem to have been rather an unfair claim?—It was in accordance with the terms of his contract. It was weighed on delivery and he made the claim.

Army Appropriation Account.

Payments for Increased Weight of Coal caused by Saturation—*continued.*

Chairman—continued.

1194. It seems to have been perfectly clear what the weight of the coal was, because it was weighed when it was put into the barges, and there is the certificate of the dock-meter, but the contractor obtained 20 *l.* 11 *s.* 3 *d.* more, because when it was weighed at Woolwich it happened to be saturated with wet?—Yes; that was the case. I do not know whether there was sufficient suspicion thrown upon the contractor to warrant his being rejected.

Mr. *Jackson.*

1195. Was much trouble taken to saturate it?—No; it was saturated by rain.

1196. It was not pumped upon?—No.

Mr. *Webb.*

1197. There is no allegation of complicity on the part of the contractor, is there?—No.

Mr. *Arthur O'Connor.*

1198. In contracts for soap is there a stipulated dryness required?—I do not know.

Chairman.

1199. An arrangement has now been made, as I understand, by which such an over-payment will not recur?—That is so.

Appropriations-in-Aid.

Delay in rendering Balance Sheets and Production Vouchers.

Chairman.

1200. (To Sir *C. L. Ryan.*) With respect to your remarks on the production voucher, are you now able to give your certificate?—I would wish, in what I am going to say, to exclude paragraphs 34 and 37 of my Report on the Annual Accounts of the Ordnance Factories, as there is still an open question there as regards the Imperial Defence Loan. I will not refer to that now, because I have not the information before me; but with regard to the general question of the correctness of those charges, I may say that, since the date of my Report upon the Army and Navy Accounts, an opportunity has been afforded of examining these charges with reference to the Production Voucher of the Ordnance Factories, and the result of the examination, as far as it has been extended, may be considered to be fairly satisfactory. With regard to the Army Account, I am, however, unable to regard the classification adopted as accurate, large amounts having been charged to "Miscellaneous Stores" which should apparently

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Delay in rendering Balance Sheets and Production Vouchers—*continued.*

Chairman—continued.

apparently have been classified under "Guns and Carriages." I am informed that the propriety of further extending the detail of the Production Voucher in such a way as to admit of more accurate classification of charges for miscellaneous services, is under consideration by the Departmental Committee on Factory Accounts. The classification of the charges in the Naval Accounts as between normal, dockyard, and contract ships must also be accepted as approximate only, as it has been stated by the War Office that materials do not now exist for classifying these charges with accuracy. This cannot but be looked upon as a serious defect. Under these circumstances, and with these reservations, I do not consider it necessary any longer to object to the allowance of the large amounts included in the Army and Navy Accounts which are based upon the Production Voucher.

1201. Are all those points under the consideration of the Departmental Committee?—Not the Navy points. The Navy point you had before you at the last meeting, and it was then explained

Army Appropriation Account.

Delay in rendering Balance Sheets and Production Vouchers—*continued.*

Chairman—continued.

that the accounts had not been kept which would enable a proper classification to be made or shown at all events as required by the Act.

Mr. *Arthur O'Connor.*

1202. (To Mr. *Knox.*) With regard to the Production Voucher, I see that the Comptroller and Auditor General says that "the Production Voucher for the year 1889–90, unaccompanied by a Balance Sheet, was not received until the 7th instant;" that would be the 7th January; but on turning to the Report by the Accountant and Auditor on the Accounts of the Ordnance Factories, I see it stated that "These Accounts having reached me somewhat later this year, owing to unavoidable circumstances, the difficulty of my applying" has been still greater than described last year; what were the "unavoidable circumstances" which delayed the accounts reaching the Accountant and Auditor?—I do not know; but the Accountant and Auditor is here, and will, no doubt, be able to explain.

Mr. James C. Hurst, called in; and Examined.

Mr. *Arthur O'Connor.*

1203. In your Report you speak of unavoidable circumstances which delayed the accounts reaching you this year till later than last year; what were the unavoidable circumstances?—The unavoidable circumstances arose in the Department of the Director General of Ordnance Factories, and perhaps he would be better able to explain it than I should. I was referring to the date on which I received the accounts, which I say increased the difficulty explained in my Report of the preceding year.

1204. You do not give the date at which you received them?—I did receive them, as a matter of fact, later than in the preceding year, when I pointed out the difficulty of dealing with them satisfactorily; I got them in anticipation of their being rendered to the Comptroller and Auditor General; still, I did not get them in sufficient time to analyse them critically or satisfactorily, I may say. (Mr. *Knox.*) This really comes back to the general question to which I have referred. We know that the arrangements of the Department did not admit, and have not admitted, up to the present time, of the Production Voucher being presented sufficiently early. It was presented earlier last year than it used to be in former times, but not sufficiently early for examination before it is made use of for making the charges against the Army and Navy.

1205. That hardly agrees with what we have officially before us in this Report. It seems instead of being presented earlier this year, it is presented later, and that that apparently was

Mr. *Arthur O'Connor*—continued.

owing to unavoidable circumstances whatever they may have been. The point I wanted to elicit was, whether the accounts of the factories are really getting later instead of being rendered earlier, and if there are exceptional circumstances in the present year which would account for that?—I do not think it can be assumed that they are getting later. It is true that in this year they were a little later than the year before, but the whole efforts of the Department are directed towards presenting this Production Voucher earlier, and, as I have stated, it is contemplated that we shall have this Production Voucher, I do not say this year, but hereafter, about July, or in July.

1206. (To Sir *C. L. Ryan.*) That would be in time for the Comptroller and Auditor General, would it not?—July would be in time.

1207. (To Mr. *Knox.*) With regard to the Accounts for the year 1890–91, when will the Production Voucher be rendered?—That I cannot say. We hope to get it earlier this year than last year; but I understand it will not be available before the end of September of this year for 1890–91.

1208. Will the Accounts for 1890-91 be rendered to the Accountant and Auditor earlier this year than those for 1889–90 were rendered?—If they are ready in September they will be earlier.

1209. But you cannot say whether they will or will not be?—No.

1210. It is an important matter because the Accountant

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Delay in rendering Balance Sheets and Production Vouchers—*continued.*

Mr. *Arthur O'Connor*—continued.

Accountant and Auditor says by reason of the delay he himself was not able to do more than give a superficial examination to much that otherwise he would have examined more fully?—It is admitted that it is most important that the accounts should be ready earlier. (Mr. *Hurst.*) Would you allow me to say, with regard to the answer I have just given about the delay, that now I recollect, I think, the chief delay arose from the fact of the accounts being printed before they were handed to me for examination; that whereas in the previous year they were handed to me in manuscript; this year they were printed first, and then the printed balance sheet was handed to me for examination; so that that caused the chief delay. I said the Director General of Ordnance Factories could, perhaps, explain the delay better than I could; but I wish to qualify that by saying there was but little delay, if I recollect rightly, on the part of the Director General's Office. The delay was from the fact of its being considered necessary to print the accounts before they were handed over to me.

Chairman.

1211. With respect to the answer just now given, that they would be ready this year in September, did that mean that they would be ready printed or in manuscript?—It meant in manuscript.

1212. (To Mr. *Knox.*) What would be the effect of that; how soon would they be in the hands, in the first place, of the Accountant and Auditor of the War Office; and, in the second place, of the Comptroller and Auditor General?—I am afraid I cannot say; but it is very necessary that these accounts should be printed because they have to pass through the hands of several people. If they were to be handed in manuscript to our Auditor and Accountant, and he was to occupy his time upon them, they would be delayed for that time before they could reach the Comptroller and Auditor General and the War Office that has to deal with them.

1213. If they are ready in September can you not tell us when they would be printed and in the hands of the Accountant and Auditor?—I am afraid it depends upon the printer. I cannot see any reason why we should not get them very rapidly; but I know that there was a very considerable delay on the part of the printer this year.

1214. Then must there be some further delay before they reach the hands of the Comptroller and Auditor General?—No; if we get the proofs of them there is no reason why they should not go at once to the Comptroller and Auditor General.

1215. (To Sir *C. L. Ryan.*) The Comptroller and Auditor General does not wait, I suppose, until the Report of the Auditor and Accountant of the War Office on these accounts is before him?—No; I take no notice of his Report. The reports are entirely independent.

1216. I observe the Report of the Accountant and Auditor was dated 21st January 1891, and the Production Voucher reached you on the 7th January?—Yes.

Mr. *Arthur O'Connor.*

1217. (To Mr. *Hurst.*) I suppose a very considerable portion of your own time and that of your subordinates is taken up in dealing with communications from the Comptroller and Auditor General himself?—A very large proportion.

1218. Might I ask with regard to the result of such an examination as you were able to make, did you find that the "balances brought forward from the preceding year are correct," and "that the expenditure taken up for the year agrees with the Appropriation Account"?—Yes; there were one or two reservations where the balances were wrong or where there was a little discrepancy between the balances closing the 1889 Account and those opening the succeeding year, which I adverted to, and which also the Comptroller and Auditor General has remarked upon in his Report.

1219. You found "that the payments for wages and the value of materials issued out of store have been appropriated either as direct or indirect charges to the work of the year"?—Yes; so far as I could see with the time I had at my disposal, I considered there was *primâ facie* evidence that the whole thing had been properly carried out.

1220. And that "the Ordnance Factory issues of production agree with the receipts recorded in the accounts of the Ordnance Store Department"?—Yes, to the extent to which I was able to apply the test.

Outstanding Claims for Productions of the Year 1889–90.

Chairman.

1221. (To Mr. *Knox.*) The Comptroller and Auditor General remarks upon outstanding claims for productions estimated to amount to 2,378 *l.* It seems that those outstanding balances are unrecorded in the War Office books; what record is kept of them?—They are not recorded in the principal books as stated by the Comptroller and Auditor General, but a record is kept of them because they represent claims against these various persons, amongst them the contractors. But a promise has been made that we shall attach in future a statement to show the amounts practically outstanding so as to arrange that they shall be subject to the watch of the Comptroller and Auditor General.

1222. (To Sir *C. L. Ryan.*) Will that satisfy you?—Yes.

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ANNUAL ACCOUNTS OF THE ORDNANCE FACTORIES FOR THE YEAR 1889–93.

Introductory Remarks.

Chairman.

1223. (To Sir *C. L. Ryan.*) I gather from paragraph 1 of the Report that all the Accounts of the Manufacturing Establishments, including Enfield, Sparkbrook, and Waltham, are now subject to your test audit, with the exception of those mentioned in paragraph 22 of your Report, namely, the Brennan Torpedo Factory, and the Balloon Factory?—Yes; all have been tested in the course of the past year.

Chairman—continued.

Outstanding Questions.

Chairman.

1224. (To Mr. *Knox.*) A large number of important points were raised last year, which were still unsettled, but for the consideration of which the Departmental Committee, to which you have already alluded, had been appointed by the Secretary of State; are those questions still under the consideration of the Departmental Committee, or has it reported?—It has partially reported; but Mr. Anderson, the Director General of Ordnance Factories, is here, and perhaps it would be as well that you should have him in the chair, as he will be able to answer more clearly as regards the changes that have been carried out. Certain changes have been carried out as regards certain recommendations and others are still under the consideration of the Committee.

1225. With regard to these other questions, referred to in this paragraph, is it likely that the Committee will soon report?—As regards the remainder, the Committee is at work, and still meeting constantly, and taking up these various questions.

Chairman—continued.

1226. Has the Committee reported on the greater number of the more important of these points?—Upon the first two points, A. and B., they have reported, and not only reported, but changes have been carried out.

1227. (To Sir *C. L. Ryan.*) Have the results of the Report of the Committee on these matters yet been communicated to you?—I have not yet received the results of the Report as a whole. And, as I understand, the matter is only in an incomplete condition, it would be better not to go into it in detail.

1228. If these matters have not been before you, it would be better not to go into them till next year?—They have not affected the accounts under your consideration. (Mr. *Knox.*) Of course the changes which have been adopted have only been adopted recently, and they could not affect the Accounts of 1889–90.

1229. Probably the other points may by that time be ripe for consideration?—Certainly.

Mr. William Anderson, D.C.L., M. Inst. C.E. called in; and Examined.

Chairman.

1230. Do you anticipate that the Departmental Committee will shortly be in a position to report on all these points?—I think that in the course of about six months or so we shall complete the work; but I may say that we are carrying out the improvements as we go along, and not waiting for the final report. A great many of the improvements have been made already.

Mr. *Arthur O'Connor.*

1231. Would it be possible to have anything like a running check throughout the year, the subject-matter of which afterwards comes into these accounts, which would probably very much shorten the work of examination when they were finally rendered?—I do not quite understand what the honourable Member means by a "running check"; does he mean by the Audit Department.

1232. Not by the Comptroller and Auditor General, but by the War Office Auditor?—I should think that could be done.

1233. That would probably economise time, would it not?—By means of the measures which are being adopted now our cost will be brought up very much closer than it ever had been before; we shall have our prime cost (labour and material) up to say within a week or 10 days, so that a check will be possible.

Mr. *Arthur O'Connor*—continued.

1234. I see, in speaking of the delay which is now imposed between the rendering of these accounts to the Auditor to the War Office, and the receipt of them by the Comptroller and Auditor General, Mr. Hurst, in his Report of last year (and he refers to the matter again in this year's Report), says: "The only effective remedy which suggests itself to my mind is to arrange by some method for a current local detailed examination so as to keep pace with the records; then when the accounts are finally rendered by the Director General of Ordnance Factories the examination to be applied would only take about a month or six weeks to complete." If that is so it appears there is room for considerable acceleration?—I should think so.

1235. Would you attempt to carry out that suggestion?—It would not come under me; it would be done by Mr. Knox.

1236. (To Mr. *Knox.*) What have you to say to that suggestion?—The suggestion is that from time to time stores issued to the Factories should be checked, and also the prices or amounts recorded

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Ordnance Factories Accounts.

Outstanding Questions—*continued.*

Mr. *Arthur O'Connor*—continued.

recorded in the ledgers as representing the cost of particular articles under manufacture. Of course if that were done it would only be a test, and it would help to certify the account finally. We should not think of going through the whole thoroughly.

Royal Gun Factory.

Reserve of Piecework.

Chairman.

1237. (To Mr. *Anderson.*) The Comptroller and Auditor General mentions that it has been found in the examinations of the accounts of the Royal Gun Factory, that in the Turnery and Boring Mills, work of the value of 961 *l.* had been accumulated, which has been treated as a relief to current expenditure; and he says that he is not in a position to state whether a similar reserve exists in other shops of the factory to which the new system of payment is in course of being applied; can you state how that is?—That is a legacy from olden times, which has now been cleared off and settled.

1238. Was there a similar legacy in any other shops of the factory?—Not to the same extent.

1239. Any that there was has been also cleared off?—It has all been cleared off.

1240. Are those pieces of work that have been kept back by the men in order that they may not seem to be making too much wages by their piecework?—It is rather a complicated question, and arises from the peculiar mode of carrying on the work in the gun factories where the price fixed for the article to be produced was not the price that was actually paid; it was rather more than the price paid, the excess being appropriated to cover any misfortunes or accidents that might occur; and the consequence was that there was not always a complete balance.

Mr. *Arthur O'Connor.*

1241. Do you mean misfortune or accidents to the work, or to the men?—To the work; for instance, spoiling the hoop of a gun, or something of that kind.

Chairman.

1242. Would that lead to such large accumulations as this?—In the course of years it had accumulated. That method is completely altered now.

1243. Did it arise out of the mode of payment of the men by piecework?—That is what it arose out of.

1244. They held back work, and it remained in the shops?—Yes.

1245. You think that such a reserve of piecework cannot arise again in the future?—No, it is impossible. It is quite a different system which is now adopted.

Ordnance Factories Accounts.

Reserve of Piecework—*continued.*

Mr. *Arthur O'Connor.*

1246. Was there any accumulation of money in connection with this?—No; there was no money.

Advance to Workmen.

Chairman.

1247. (To Mr. *Anderson.*) The Comptroller and Auditor General mentions that in cases where articles manufactured under piecework are not completed during the week, it is the practice to make advances to the workmen to be cleared on the completion of the job, and that he found that the advance books showed that the transactions there recorded were in an unsatisfactory condition, and the attention of the War Office was called to a schedule of advances amounting to 685 *l.*, dating back to 1884, which had not been cleared up to the 31st of March 1890; he also states that the cause of this long arrear is not stated; what was the cause of this long arrear?—It was the fruit of the peculiar system carried on in the Gun Factory. These advances were made to the men by the foreman; and the foreman got, as it were, credit for a certain amount, and the credit went on from year to year. The stream of six-inch guns, for instance, goes on from year to year; we never stop making them, so that the account is never absolutely closed, and the foreman instead of clearing his advance-note every time, kept it and drew fresh advances upon that note; the result being that a balance is reported of sometimes only a few shillings (for instance, in 1884 it was only 8 *s.*), and sometimes the accumulation amounted to some pounds. That, I may say, is all cleared off, and cannot occur again.

Mr. *Arthur O'Connor.*

1248. As a matter of fact, the 685 *l.* only related to last year, did it not?—It began in 1884.

1249. It has been coming down from week to week; but, as a matter of fact, the actual existing balance had reference to advances only in comparatively recent times; is not that so?—Quite so.

Chairman.

1250. Still I suppose you would think it a very bad system that these accounts should not be closed and cleared up during the course of six years?—It was a very bad system indeed.

1251. But you say that is not going to occur again?—It has been absolutely altered.

Incidence of Values of Steel Forgings found Defective.

Chairman.

1252. (To Mr. *Anderson.*) The Comptroller and Auditor General suggests, with regard to the incidence of charge in respect to steel forgings which have been rejected, that the charge might fairly be distributed more widely over "Orders,"

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ORDNANCE FACTORIES ACCOUNTS.

Incidence of Values of Steel Forgings found Defective—*continued.*

Chairman—continued.

participating generally in the output of the steel forge; what is your view upon that point?—I quite agree with Sir Charles Ryan; I think it ought to be as he suggests. I think the forge ought to be worked as an establishment by itself making a semi-manufacture, that is to say, all the expenses of the forge ought to be charged against the forge, and then the forgings should be issued out at an estimated price; by quarterly balances, it would be ascertained whether those prices were correct or not, and varied accordingly each quarter. By that means any misfortune happening in the forge would be spread over the production of the forge.

1253. If the misfortune occurred in connection with the manufacture of a particular gun, would not the result of spreading the charge over the general output be rather delusive as to the cost of that particular kind of gun; that is to say, supposing the rejections of the forgings all occurred in respect of some particular class of gun, would it not be fair that the loss should be especially connected with the manufacture of that gun?—Yes. If it happened, for instance, that we were ordered to make a gun of a particularly high quality of steel, in that case our failures in making that steel (which would probably be numerous) would have to go against the particular gun; but that would be an exceptional case.

1254. You would not spread the failures in that case over the whole production of the forge?—Not in a case of that sort; but taking the average quality of steel that we make, the number of rejections, which I am sorry to say are more than they ought to be, should fall upon the whole production of the forge.

1255. I see that the rate equals 28 per cent. this year, whereas in October 1886, before Lord Morley's Committee, it appears to have been taken as about 12 per cent.?—Yes. Our steel making is very small; we are not allowed to make much, because, I believe, there is some understanding with the trade that we are not to compete with them. Our steel foundry is very small, so that one bad forging tells very much.

Mr. *Arthur O'Connor.*

1256. Had you the same iron or the same ore in the years that have been referred to?—Just the same. But I may say that the tests applied by the Inspection Branch are very stringent, and if a test is half a ton out the forging is liable to be thrown out.

1257. What was this understanding with the trade that you referred to?—The trade were induced to put up very costly plant for the manufacture of large forgings, and it was understood that if they did we would not do the same thing so as to compete with them.

1258. Is that understanding part of the system under which the factories are to be worked on commercial principles?—I cannot very well say

ORDNANCE FACTORIES ACCOUNTS.

Incidence of Values of Steel Forgings found Defective—*continued.*

Mr. *Arthur O'Connor*—continued.

that; but I may remark that London is not a good place for a steel factory. The difficulty of getting proper labour for conducting a steel forge, the price of fuel, and the high rate of wages, are all prejudicial to a steel factory.

Mr. *Webb.*

1259. Supposing it was found desirable in the interests of the public service for you to manufacture more steel, you would not be precluded from doing it under this arrangement, would you?—I do not think there is any written engagement; it is merely an understanding. I do not think there is anything to prevent us extending our steel foundry except an honourable understanding that we will not do it. Of course there is also the undertaking given, I think, by Sir John Pakington that we would not extend the Ordnance Factory more than absolutely necessary; we have always had to bear that in mind.

ROYAL SMALL ARMS FACTORY, ENFIELD.

Chairman.

1260. (To Mr. *Anderson.*) The Comptroller and Auditor General has suggested, in connection with the Royal Small Arms Factory at Enfield, whether the timekeeper's records should not be brought under the direct review and control of the Accounts Branch of the office, and the men themselves be utilised as work-takers on behalf of the office for all productive day-work. He states that this matter has been considered by the Departmental Committee, and he understands that his suggestions will be adopted; is that so?—Yes; throughout all the factories, except Waltham.

1261. His suggestions with regard to the system of arriving at the values of semi-manufactured articles have also, I understand, been considered by the Departmental Committee?—They have, and they have been adopted in great measure.

BUILDING WORKS DEPARTMENT.

Chairman.

1262. (To Mr. *Anderson.*) The Comptroller and Auditor General points out serious weaknesses with regard to the allocation of labour to different items, and that more exact accounting is required in the Building Works Department; has that matter also been considered by the Departmental Committee?—That is under consideration now. It is a very difficult question; but it will very shortly be settled.

1263. Do you see your way to any improvement?—I think so. For one thing, the superintendent of the building works will keep a store, which he has not at the present time; so that a good many issues will be made at the works directly, and there will be improvement in the method of allocating the wages also. The difficulty is to know how far it is advisable to incur

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ORDNANCE FACTORIES ACCOUNTS.

Building Works Department—*continued.*

Chairman—continued.

an expense in keeping these accounts so exactly. We know that nothing gets outside the Arsenal walls; all the money that is spent can be accounted for there; but the work is very much scattered about, and to have a sufficient army of clerks and worktakers to keep an exact cast, would be a very considerable matter. A good deal, however, can be done, no doubt, without serious expense. I think Sir Charles Ryan will be satisfied, as regards this matter, this year.

GAS FACTORY.

Chairman.

1264. (To Sir *C. L. Ryan.*) I observe from your Report that you wrote to the War Office on the subject of the imperfections in the present system of accounting, as regards the Gas Factory Accounts, but your letters remained unanswered at the time of your Report; have your letters yet been answered?—My letter was answered on the 31st March of this year, and the War Office stated that, although the question of the distribution of this expenditure has for some time been under consideration, no final decision has yet been arrived at; so that the question was not at that date settled.

1265. (To Mr. *Anderson.*) Has it been settled since?—It is a very difficult question indeed. We are doing a good deal towards it; we are putting meters wherever we possibly can, but we have to supply the barracks and military establishments on the Common, and we cannot very well control them. We are, however, thinking of putting a large meter on the main which goes up there; this will measure all the gas going straight up to the Common; and we hope by that means and others to get the accounts into better order.

BALANCE SHEET.

POSTAGE NOT CHARGED OVER PRODUCTION.

Chairman.

1266. (To Mr. *Knox.*) Can you say anything with regard to the question of making payment to the Post Office for general factory correspondence?—I suppose, properly speaking, the factory should bear the charge for postage on this account. Whether it would be advisable that they should use postage stamps or make a calculation as to the amount they are relieved of by means of the frank, of course is open to consideration.

1267. At all events that ought to be brought into account?—Yes.

DEPLETION OF STOCK IN 1889-90.

Chairman.

1268. (To Mr. *Anderson.*) Can you give any explanation with regard to how it came about that the value of stores in stock at the 31st March 1890 has diminished since last year by the sum of 39,517 *l.*, as to which no explanation seems to have been afforded to the Comptroller and Auditor General. The evidence before this Committee last year was that the stock had in 1888–89 been practically maintained at the old level, and although it had at one time been considered possible to reduce stock in that year by 100,000 *l.*, it had been found during the year that the contemplated reduction could not be made, and that the original amount of capital would have to be maintained at all events, for the present"?—It was originally contemplated, as stated, that there should be a reduction in the stock. It was thought at one time that it was not necessary to have so large a quantity of stores to carry on the business; but, as has been explained, during that year it was found impossible to make any reduction; however, the fact was borne in mind, and as the transactions of the year admitted of a reduction, and it being known that the policy of the Department was to make a reduction, this reduction was practically effected.

ORDNANCE FACTORIES ACCOUNTS.

Depletion of Stock in 1889–90—*continued.*

Chairman—continued.

1269. Some details of reduction appear on page 145 in Mr. Hurst's Report, but I do not think that I quite understand them; I should like to ask what that item of 263,722 *l.* opposite "Central Store" means?—The Central Store was established during that year, and a transfer was made from the independent stores attached to the different factories in the previous year. One of the great reforms is the establishment of the Central Store.

1270. Did they take over some of the stores of the Carriage Department and Laboratory?—Yes, all the factories in the Arsenal.

Mr. *Arthur O'Connor.*

1271. (To Mr. *Knox.*) It would appear that the establishment of a Central Store has rather increased the expense than diminished it, for I see on page 147, the Report says: "The increase of 7,410 *l.* 11 *s.* 7 *d.* in the charge for general administration is caused by the transfer of all the pay duties and the store ledger accounts to the Central Office." One would *primâ facie* have supposed that the centralisation of stores would have diminished the administrative expenses; but there it is described as having led to an increase of 7,410 *l.*?—That represents really a transfer of charge; it is an increase in the charge for general administration. Formerly these charges were not borne by the charge for general administration.

1272. Then it is not an absolute increase of charge?—No, it is not any increase of charge.

STOCK-TAKING.

Chairman.

1273. (To Mr. *Knox.*) The Comptroller and Auditor General states that he has been informed by the War Office that stock-taking by the Accountant

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Ordnance Factories Accounts.

Stock-Taking—*continued.*

Chairman—continued.

Accountant and Auditor in the factories has been suspended since the appointment of a Director General of Ordnance Factories, who will take up that work in detail, subject only to an occasional test on behalf of the War Office; from that it appears that the Director General takes his own stock, and the Comptroller and Auditor General asks in what position the question of independent survey stands?—It stands as sketched here; it is only intended from time to time to make a test to ascertain that the stock-taking by the Director General has been regular and efficient from an independent point of view.

1274. The Comptroller and Auditor General goes on to state that "nothing definite has been decided upon by the War Office, and the matter remains in the same condition as it was last year; was that an interim arrangement by the War Office, or is it a permanent arrangement?—That is a permanent arrangement. As the Director General states, there are now three men constantly employed in examining and testing stock; that is a change compared to what it was before. The duty which the War Office will assume would be that they would, from time to time, according to their discretion, send some one down to see that the stock is in the condition represented by the Director General of Ordnance Factories.

Mr. *Arthur O'Connor.*

1275. (To Mr. *Anderson.*) But that stock-taking by those two or three officers is the Director General's own stock, is it not?—Yes.

1276. It is not the War Office stock?—No, it is the Director General's stock.

1277. Speaking from memory I think the Director General last year told us that anything like a thorough stocktaking would be an inconvenience on account of the time it would take and the interference with work it would cause?—Yes; it was chiefly with regard to timber that the remark was made; but now all the stores are so arranged that you can tell, by examining the remain when the stock gets pretty low, whether the books have been correctly kept, that is to say, by the receipts with the issues, and comparing with what remains in stock, and it is that duty which these three men are engaged in doing continually. For instance, the timber is now all piled, so that we know that there are no short pieces inside the stacks, and the end of the planks are all marked with their dimensions, so that a man, by examining the outside of the stacks, can tell what the contents are or ought to be.

1278. That applies only to timber, does it?—And other stores in the same way. For instance, the iron is all arranged in bins according to size and kind, and every bin is marked in the same way, so that looking at what remains in the bins, and by comparing that with the books, they can tell whether the issues have been correctly recorded.

Ordnance Factories Accounts.

Stock-Taking—*continued.*

Mr. *Arthur O'Connor*—continued.

1279. Would not Christmas time afford a very good opportunity for a good deal of stocktaking by the War Office without interfering with the work?—I think, having regard to the way the stores are now kept, the War Office by taking the recorded measurements on trust, might take stock at any time they pleased without interfering sensibly with the work of the factories.

1280. You think the new arrangements are such that the War Office is welcome to come and make a thorough overhauling of the stock at any time?—Yes.

Chairman.

1281. Then your opinion, I gather, has changed since last year, when you said in your evidence that a remain stock-taking "would involve shutting up all the factories for at least a week"?—What I meant was, that would be so if we had to measure and weigh everything up. At that time we had not got it so arranged that you could see upon the face of the stock what was there; that has been done since. That is one of the advantages of the central system.

1282. You also told this Committee that you would very much like to have a Central Stock-taking at Woolwich; has anything been done in that direction?—Yes. I think we have accomplished that now without the necessity of having a regular weighing and measuring up. We spent nearly 7,000 *l.* last year in completing the central store, in which we now have room for placing everything in such a way as that it can be examined at any time.

1283. You are not afraid of the stock getting into disorder again, but you think that from year to year, or at any other interval, stock-taking can be done in the manner you describe?—Quite so. (Mr. *Knox.*) But that is not meant to be a stock-taking of all the stocks within a week or anything of that kind. (Mr. *Anderson.*) No. Of course, you would want an army of clerks to do that.

Mr. *Arthur O'Connor.*

1284. But a good deal might be done by a comparatively small number of men if they were allowed a whole week under such favourable circumstances?—Yes.

Chairman.

1285. (To Mr. *Ryan.*) Under these circumstences you will no doubt press the importance of the independent stock-taking to which your Report points?—Yes.

1286. (To Mr. *Knox.*) Will that be considered at the War Office?—Certainly.

Increase in Semi-Manufactures at 31st March 1890.

Chairman.

1287. (To Mr. *Anderson.*) There has been a considerable increase in the amount shown under semi-manufactures on the 31st March 1890 of 1,013,317 *l.*

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Increase in Semi-Manufactures at 31st March 1890—*continued.*

Chairman—continued.

1,013,317 *l.* against 682,289 *l.* last year; the Comptroller and Auditor General has asked for an explanation of this increase, and at the same time suggested that the head might be subdivided into the chief component sections, "Articles completed," and "Articles unfinished"; has that matter been considered by the Departmental Committee?—Yes, we have discussed it, but nothing has been arranged yet. I daresay a good deal could be done in that way.

1288. Do you generally agree with the suggestion?—Yes. I think so. (Mr. *Knox.*) It is intended to divide in future those completed articles which have not been inspected from the other semi-manufactures. (Mr. *Anderson.*) We do not consider a manufacture finished until the inspection branch has examined it and passed it. A good many things are awaiting inspection, sometimes for weeks.

1289. But this refers to articles completed but which are waiting for inspection?—Yes, that is what we propose to divide from what is really a semi-manufacture.

Capital Account.

Chairman.

1290. (To Mr. *Anderson.*) With respect to the capital expenditure on special plant for the manufacture of the magazine rifle, the Comptroller and Auditor General points out that the difficulty with regard to this charge is that the sum is an estimate of the expenditure incurred arrived at after the event, and only partially traceable in the records of the factories; he has made an endeavour to check the figures at Birmingham and Enfield respectively, and he finds that the Birmingham figures were considerably overstated, while it has not been found possible to apply any effective check to the Enfield figures; can you throw any light upon that point?—That is quite correct. I do not know how long ago the magazine rifle manufacture was commenced, but the alteration of the existing machinery was charged against the components of the rifle, and no line was drawn at Enfield between beginning to make the rifle and finishing the altering of the machines. In fact the manufacture of the rifle went on *pari passu* with the alteration of the machines, and it was found impossible to separate the two.

1291. The result arrived at in the end as to what should be charged to Capital Expenditure would not be a very satisfactory result?—Not very. It is really my estimate; I went down and looked at all the machines, and compared them with the estimates made in the factories, and I arrived at figures quoted.

1292. That affects the cost of the rifle, does it not?—Yes.

1293. If you charge too much to capital you cheapen the rifle, and *vice versâ*?—Yes.

1294. Do you agree on the whole with the Comptroller and Auditor General that the figures at Birmingham were over-stated?—They were a little over-stated, not much.

1295. He states they were considerably overstated?—I do not think they were; it was about 1,500 *l.*, I think, out of 25,000 *l.* The reason of that is partly because at Sparkbrook they kept a separate account of alterations in the machines, but they only considered the alteration completed when they got their first perfect component out from the machine. These machines are very troublesome to adjust, and they spoil a good many components before a perfect one is produced. A good deal was thus charged to the machine which I thought ought not to be charged.

Ordnance Factories Accounts.

Capital Account—*continued.*

Chairman—continued.

Variation in the Allocation of similar Charges to Capital and Production respectively.

Chairman.

1296. (To Mr. *Anderson.*) We are told that the important question of the inconsistencies of charge of similar articles to capital and production, respectively, continues in the same position as last year, and the Comptroller and Auditor General points to the importance of adopting some guiding line in order that the charges may be made susceptible of independent criticism; has anything been done in that direction?—We are doing a great deal in that direction. In the first place we are proposing, as regards buildings, to charge all of Part I. and Part II. "Services," that is to say, in Part I. over 1,000 *l.*, and in Part II. under 1,000 *l.* to capital; a portion of Part III. may likewise have to go to capital; that will be a matter of judgment. Then, as regards machinery, in all our demands we propose to specify what we think is the proper head to charge the machinery to, and, of course, there will then be every opportunity at the War Office to criticise the allocation which we propose to make as we go on; I do not see how we can do more than that.

1297. (To Sir *C. L. Ryan.*) Have you anything further to suggest?—I should like to consider the system when I see it in operation. It is an important question.

Mr. *Webb.*

1298. (To Mr. *Anderson.*) Supposing a machine becomes suddenly obsolete, do you make any additional depreciation for that?—No.

1299. Supposing by some new discovery a machine becomes obsolete, what would be done?—We should probably sell it and take it off the Capital Account.

Mr. *Arthur O'Connor.*

1300. With regard to this question of capital, would you look at page 3 of the account under the heading "By Capital Account;" I see a couple of entries, one "For new machinery," and the other "For buildings added during the year," each being "per contra;" I do not see exactly

Ordnance Factories Accounts.

Variation in the Allocation of similar Charges to Capital, &c.—*continued.*

Mr. *Arthur O'Connor*—continued.

exactly any corresponding item, per contra. There is 54,000 *l.* for new machinery, per contra?—I am afraid I cannot explain that, but no doubt Mr. Hurst can.

1301. (To Mr. *Hurst.*) Can you give any explanation?—The amount of new machinery on the credit side transferred to capital, is included, per contra, in the larger sum of 58,000 *l.* on page 2?—This 54,978 *l.* is a portion of the 58,874 *l.* With regard to the other details, I could not say, but the chances are that the other portion of the 58,000 *l.* has been charged to production.

1302. (To Mr. *Anderson.*) I see on page 2 you have under "Sundries," first of all "Works Staff," which is 1,066 *l.*, and then lower down "Wages and Police," 1,328,659 *l.*; that represents the actual expenditure, does it?—Yes, I think so.

1303. The reason why I ask is this: in the previous year you have for the Works Staff 3,500 *l.* instead of 1,000 *l.* odd, and at the same time you have only 1,132,000 *l.* for wages of police, so that you have only one-third of the former Works Staff expenses now with a very much larger sum for wages and police?—I expect that is due to some different way of arranging the charges.

1304. But that is not explained here?—No. (Mr. *Knox.*) It is a transfer really from the heading "Works Staff and Subordinates." Subordinates were included under the staff before but now they are under wages, hired *employés*, instead of being established, so that the charge for them is transferred to "Wages and Police."

1305. The extra 2,000 *l.*, which used to be under "Works Staff" has been transferred to "Wages and Police"?—Yes.

1306. (To Mr. *Anderson.*) Has there been a very large increase in the work done in this year as compared with the previous years?—Yes, it was a very busy year.

1307. (To Mr. *Knox.*) Then on the following page 4, under the heading of "Sundries," "Miscellaneous," I notice that the item of clothing which you had under this heading last year has been omitted this year; why is that?—It is included under "Materials" this year on page 2, of the Account, in "Values of Stores obtained from Contractors."

1308. (To Mr. *Anderson.*) I suppose that would be clothing used in the manufactories?—Yes, chiefly in the Laboratory, in the danger buildings.

Cost of Magazine Rifle.

Chairman.

1309. (To Mr. *Knox.*) The Comptroller and Auditor General mentions an adjustment which took place in the transfer of expenditure on the Magazine Rifle at Sparkbrook, amounting to

Ordnance Factories Accounts.

Cost of Magazine Rifle—*continued.*

Chairman—continued.

2,564 *l.*, which has been added to the cost of production at Enfield; the effect of this transaction has been, he states, that the cost of production per rifle which previously stood at Enfield at 5 *l.* 5 *s.* and at Sparkbrook at 5 *l.* 18 *s.* 4 *d.*, now stands in the Production Statement at 5 *l.* 6 *s.* 8 *d.*; perhaps you can explain that?—The object of the charge was to bring out one price for the rifle. We are making for various customers, and we could not charge two prices, and although it was known to us that at Sparkbrook the cost came out somewhat more, it was necessary to have one price in the production account.

1310. How are you actually paid for these rifles, we will say by India, supposing India to take by them?—They would be charged at this average price.

1311. If India ordered so many rifles, would they pay in advance for them?—We should have an advance from India from time to time.

1312. However many thousand rifles they ordered they would have to contemplate an expenditure of 5 *l.* 6 *s.* 8 *d.* upon each rifle?—Yes.

1313. Afterwards, if you found that they cost less, it would be adjusted, and India would be charged the actual cost?—Yes, in that year.

Mr. *Webb.*

1314. I take it from this average that very few rifles are manufactured at Sparkbrook; the majority are manufactured at Enfield?—Yes; the majority are manufactured at Enfield; perhaps three times as many.

Chairman.

1315. (To Mr. *Knox.*) There seems to be, also, an error in writing off the Special Plant Depreciation, which affects the price at Sparkbrook; that, I suppose, is the error to which allusion has already been made?—Yes.

1316. (To Mr. *Anderson.*) Are you satisfied, on the whole, that 5 *l.* 6 *s.* 8 *d.* is a fair price, or do you think you will be able to produce it cheaper?—That was the cost last year; this year we hope it will be about 4 *l.*

1317. Whatever it costs in a particular year your customers pay?—Yes.

Sir *Richard Temple.*

1318. Do you say you expect the price to be 4 *l.*?—As soon as our balance sheet comes out we shall see; but we hope it will be about that. Whatever the sum is, our customers will be charged that sum.

Discrepancies between the Production Statement under Army Vote 12 and Loan.

Chairman.

1319. (To Mr. *Knox.*) I observe that a net sum of 24,959 *l.* has been included, under Vote 12, in the Production Statement which should have been borne by the Imperial Defence Loan; how

was

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Discrepancies between the Production Statement, &c.—*continued.*

Chairman—continued.

was that?—It arises from the fact that the ultimate destination of some of these productions is not what was originally contemplated when the order was given. The exigencies of the service sometimes necessitate the guns being issued, say, to the Admiralty instead of being taken for the Army, and hence guns proposed originally to be paid for under the Loan are charged elsewhere.

1320. Do I understand that was so in this instance, and the correction not made?—Yes; the correction not being made in the previous books.

1321. (To Sir *C. L. Ryan.*) That would, I presume, be a sufficient reply to your inquiry?—I have not received a reply from the War Office, and I would rather not give an answer at present, because this affects the Imperial Defence Loan.

1322. (To Mr. *Knox.*) I suppose a reply will be sent to the Comptroller and Auditor General?—Yes.

COMPARISONS OF RESULTS OF MANUFACTURE.

Chairman.

1323. (To Mr. *Knox.*) Has the question of the comparison of factory, costs-results with contract rates for similar articles referred to in Paragraph 11 of our Fifth Report of 1890, been dealt with by the War Office?—The War Office is making comparisons with them constantly, and when tenders are received it is the invariable practice to make comparisons with what similar articles have cost in the factories. It is part of the ordinary business of the Director of Contracts.

ORDNANCE FACTORIES ACCOUNT.

Comparisons of Results of Manufacture—*continued.*

Chairman—continued.

1324. (To Sir *C. L. Ryan.*) I suppose what you pointed to and what the Committee reported upon was the importance of such a comparison being published in the Accounts. Is not that so?—Yes.

1325. (To Mr. *Knox.*) Has that point been considered?—I do not know that that point has been considered; but I think it would be thought very inadvisable to do so.

1326. I do not quite see why?—I think we never have published the prices at which we obtain our different contracts, and I think it is questionable whether we should do so.

1327. (To Mr. *Ryder.*) Would the Treasury have any opinion upon that point?—I do not think the question of publication has come before the Treasury. (Sir *C. L. Ryan.*) I should like to say that the publication was not the essence of the point. It was rather the importance of an independent examination on the part of the War Office between what the cost of the articles at the Factories was and the cost of the articles as turned out from contractors; and we wished to be supplied with data for the purpose of making a comparison, not necessarily for publication. (Mr. *Knox.*) The Comptroller and Auditor General has said, as I understand, that he has not the technical knowledge to be able to make the comparison. If so it is admitted that outside the Department a comparison cannot be made, and it therefore seems a strange suggestion to make that a comparison outside of the Department should be made.

ON MILITARY FORCES LOCALISATION ACCOUNT.

No questions.

IMPERIAL DEFENCE ACT, 1888.—PORTS AND COALING STATIONS.

Chairman.

1328. (To Mr. *Knox.*) By this account it appears that the expenditure up to the 31st March, 1890 (that is in the first two of the three years contemplated under the Imperial Defence Act), has been 828,331 *l.* 16 *s.* 1 *d.*, leaving a balance unexpended out of the total amount of 2,600,000*l.* authorised for the purposes of this Act, of 1,771,668 *l.* 3 *s.* 11 *d.* I gather from a Parliamentary Paper, which has just been laid before Parliament that it is not intended, and it has not been achieved that the total expenditure should take place within the three years?—The expenditure has been going on subsequently.

1329. What has been the expenditure between

Chairman—continued.

March 1890 and March 1891?—The estimated actual expenditure has been 846,000 *l.*

1330. It appears from the return issued a day or two ago that the net estimated expenditure for the year 1891–92 under this Act is 613,000 *l.*; is not that so?—That is including interest; 550,000 *l.* is the actual expenditure.

1331. That makes a total of about 2,224,000 *l.*?—Yes.

1332. Out of 2,600,000 *l.*?—Yes.

1333. There will still remain a balance unexpended after March 1892?—Yes, of about 375,000 *l.*

1334. Is

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IMPERIAL DEFENCE ACT—*continued.*

Chairman—continued.

1334. Is there not a difficulty under the Act as regards that; the Act having stated that the expenditure was to be between certain dates. I see the heading of the second Schedule is "Sums proposed to be expended between the 1st day of April 1888, and the 1st day of April 1891"?—That point was perceived, and we obtained the opinion of the Law Officers of the Crown upon the point. It was ruled by them that the expenditure after that date was not illegal, and, therefore, upon that no further steps were taken and the expenditure is going on.

1335. Then the expenditure of the 2,600,000*l.* will be spread over a longer time than that mentioned in the second Schedule of the Act?—Yes, it will be probably five years instead of three.

Mr. *Webb.*

1336. Will you tell us shortly to what grounds that is attributable?—Delay in the progress of the work. These things never get along as fast as they are hoped for, at any rate in the first instance, neither as regards buildings nor the manufacture of guns. There are delays on the part of the contractors, and so forth.

1337. (To Mr. *Ryder.*) Can you communicate to us anything more with regard to the Law Officers' opinion?—I have a copy of it here; I am not sure whether it is usual to publish these opinions, but I might hand it to the Committee for their information.

Chairman.

1338. Perhaps you could give us the purport of it?—The purport of the opinion is, that expenditure made after 1st April 1891, for the purposes of the second Schedule of the Act would not be illegal; but I think the grounds for the opinion may be gathered from the case submitted to the Law Officers. It was pointed out to the Law Officers that no limitation of the period for expenditure is imposed in the body of the Act; there is only an allusion to the period in the second Schedule. I think we may conclude that the Law Officers did not think the recital at the head of the Schednle was binding, but that it was a declaration of what probably would be effected, and nothing more.

1339. (To Sir *C. L. Ryan.*) Under these circumstances you point that a disproportionately large expenditure would fall upon the account ending march March 1891, falls to the ground; —Yes. Of course it is entirely new to me that the opinion of the Law Officers is, as I gather from what has been said, that the Schedule is not part of the Act. I thought it was so.

1340. (To Mr. *Ryder.*) May I ask when that opinion was obtained?—It is dated the 30th June 1890.

Sir *Richard Temple.*

1341. Do the law officers mean to say that the Schedule is not part of the Act?—I have no doubt they would hold it is part of the Act, but

IMPERIAL DEFENCE ACT—*continued.*

Sir *Richard Temple*—continued.

one may say it is part of the Act in different senses. I read their opinion as meaning that the mention of the period in the heading of the Schedule was declaratory of a probability, and not binding upon the administrators of the Act, as regards the limit of time mentioned in the Schedule. That is to say, that it was expressive of an expectation, and was an estimate of the probable duration of the expenditure; but Parliament did not think fit in the body of the Act to bind the spending department to confine the expenditure to that time.

1342. (To Sir *C. L. Ryan.*) Do I understand that you thought that the Act did mean that?—The question has not been before me except at this moment, and I cannot give an opinion off hand. (Mr. *Knox.*) The question does not really arise till the expenditure for this year is recorded and examined. It arises upon the expenditure of this present month.

ARMAMENTS.

Chairman.

1343. (To Sir *C. L. Ryan.*) I observe that you were not able to apply more than a limited test to the sùm of 142,384 *l.* which was based upon the Production Voucher of the Ordnance Factories, but I understand that your limited test was satisfactory?—Yes.

WORKS.

Chairman.

1344. (To Mr. *Knox.*) The Comptroller and Auditor General calls attention to the difficulty experienced by his Department in verifying the correctness of the appropriation of the expenditure upon works between the Imperial Defence Loan and Army Votes, and he illustrates this difficulty by the case of two items of expenditure, one for the construction of a Mobilisation Store Depôt at North Weald, which is included in the Army Appropriation Account, and the other for the construction of Mobilisation Storehouses at Colchester, which is a charge upon the Loan; I think it is admitted by the War Office that the services are of an analogous kind?—Quite so. The services in the Loan as regards a great number of these things are precisely the same as would have been included in the ordinary course under the Vote.

1345. In some cases they are provided for out of the Loan, and in other cases out of the Vote?—Quite so.

1346. The intention, I suppose, being to avoid spending more out of the Loan than the 2,600,000 *l.*?—Of course, the Loan is limited; you cannot exceed the money on the Loan. This expenditure was proposed after the Loan was fixed, and, therefore, it had to be provided for in the Army Estimates.

[The Witnesses withdrew.

Wednesday, 6th May 1891.

MEMBERS PRESENT:

Mr. Sydney Buxton.
Mr. Crawford.
Mr. Jackson.
Sir Ughtred Kay-Shuttleworth.
Sir John Lubbock.
Mr. Salt.
Sir Richard Temple.
Mr. Wodehouse.

SIR UGHTRED KAY-SHUTTLEWORTH, BART., IN THE CHAIR.

ARMY APPROPRIATION ACCOUNT, 1889–90.

Sir CHARLES LISTER RYAN, K.C.B., and Mr. GEORGE L. RYDER, C.B., called in; and Examined.

Mr. RALPH H. KNOX, C.B., re-called; and further Examined.

STORE ACCOUNTS OF THE ARMY.

SURPLUSES OF STORES SET OFF AGAINST DEFICIENCIES.

Chairman.

1347. (To Mr. *Knox.*) THE Comptroller and Auditor General raises a question as to the setting off of surpluses of stores against deficiencies, and says that it does not appear to him that there is such a relationship between surplus and deficient stores as would justify the one being written off against the other, except in cases where the stores were of such a similar nature as to render it probable that the deficient numbers could fairly be accounted for by an excess under an analogous heading; what have you to say with regard to that?—It is not admitted that there is any claim on the part of an officer in charge of stores to set off surpluses against deficiencies; but in the examination of the Accounts, and in considering these remains that are taken, the Secretary of State does himself regard the one with reference to the other when the report on a remain is sent in; and if the circumstances of the case admit of it in his opinion, then, so far as the liability of the officer himself is concerned in dealing with a case, he holds that he has the power, where there would not be a net disallowance against the officer, of setting off the one against the other.

1348. When you say that the Secretary of State considers the circumstances of the case, does that relate to the nature of the articles?—No, the general circumstances of the case; for instance, the time that has elapsed since the previous remain has been taken, and the work of the Department that has been transacted in the interim, and so on, he considers as to whether there is a reasonable ground for setting off one against the other, and comes to a conclusion accordingly.

1349. (To Mr. *Ryder.*) What view would the

Chairman—continued.

Treasury take of that point?—I think the Treasury view would be that circumstances might justify a setting off of the surplus against the deficiency; but that such a thing ought not to be done, as a matter of course, and that it would depend upon the nature of the stores whether the one could be held to have any sort of bearing upon the other, any relation to the other.

1350. (To Mr. *Knox.*) I think I understand from you that that would be done even where there is no relation between the one set of stores and the other?—Quite so; that is to say, it might be so done. Of course, these accounts of stores are not like many accounts, they cannot be verified frequently like cash accounts; and in the multitudinous transactions that take place in the Store Department of the Army errors necessarily creep in; and they occur on both sides of the account. Sometimes mistakes are made evidently as against the officer, and sometimes in favour of the officer.

1351. When these cases come before the Secretary of State, I suppose that some analysis is given of the nature of the articles, and it is not a mere account of values, such a statement as appears here?—Certainly not. Every single item on which there is a discrepancy is reported, every one of them.

1352. (To Sir *C. L. Ryan.*) Would you like to say anything more on this point?—No, I think not. The letter [(A.) on page 198] has not been answered, and I have not had an opportunity of considering in any way the explanation which Mr. Knox has just been giving.

1353. (To Mr. *Knox.*) I see the letter was written in January. I suppose it will shortly be

ARMY APPROPRIATION ACCOUNT.

Surpluses of Stores set off against Deficiencies —*continued*

Chairman—continued.

answered?—I believe it was thought that it was just as well that the question should be ventilated and discussed here before any reply was sent, and that is the reason why it was not answered.

LAND SERVICE STORES EXPENDED IN PACKING, CLEANING, &c., SEA SERVICE STORES.

Chairman.

1354. In paragraph 3 of the Report of the Comptroller and Auditor General it appears that the manner in which the charge is to be made against the Admiralty in relation to Land Service Stores expended in Packing, Cleaning, &c., Sea Service Stores, has not yet been determined, or had not been determined when the letter was written by the Comptroller and Auditor General; have you any explanation to make with regard to that matter?—There was no intention, so long as the Store Department and the Store Houses and Store Service practically remained with the War Office, of making any charge for these small departmental expenses, as they have been called, for packing, cleaning, and so on; but now that the stores have been transferred to the Navy, of course the question falls to the ground, and these expenses will be incurred by that Department on its own behalf.

1355. (To Sir *C. L. Ryan.*) Your view is, I think, that if this work had continued to be done for the Navy it would have been right to settle some mode of making a charge?—Yes, supposing it were to be continued; but as Mr. Knox says this question will practically fall to the ground. (Mr. *Knox.*) This was at the time when the War Office was bearing the whole store charge for the service of the Navy. The whole of the cost

ARMY APPROPRIATION ACCOUNT.

Land Service Stores expended in Packing, Cleaning, &c.—*continued.*

Chairman—continued.

of the Department was then a charge against the War Office, and it was not advisable to make claims for these very small charges under such circumstances.

1356. (To Mr. *Ryder.*) Have the Treasury any remark to make upon that point?—The point has not come before the Treasury officially; but I think their view would be that in strictness the charges for packing and so on ought to be recovered from the Admiralty.

SALE OF NAVAL UNSERVICEABLE STORES.

Chairman.

1357. In paragraph 5 of his Report, the Comptroller and Auditor General mentions that he had suggested to the War Office a system which by the actual separation of the Army from the Navy in regard to stores the proceeds of sales of naval unserviceable stores would be accurately apportioned between the two services, and he states that he understands that the new method in substitution of the former system has been submitted for Treasury approval: have the Treasury approved of any new system?—In October 1890 the Treasury approved of a new arrangement, under which the stores may be separated from the first up to the time of sale; and therefore there will be no difficulty in giving credit to each Department for the exact proceeds of their own store. (Mr. *Knox.*) In future the separation of the Departments settles this question too. Refuse will be in the charge of the naval officers.

Mr. *Salt.*

1358. Will the sales be made separately in future?—Yes.

ARMY (CLOTHING FACTORY), 1889–90.

Mr. GEORGE DALHOUSIE RAMSAY, C.B., called in; and Examined.

Chairman.

1359. (To Sir *C. L. Ryan.*) I GATHER that although the Clothing Factory Accounts were rendered to your Department for the year 1888–89 in accordance with the terms of the Act of 1889, circumstances did not admit of their audit?—They did not in that year.

1360. But the accounts now before us have been subjected to a test examination in the same manner and to the same extent as the Accounts of the Ordnance Factories?—They have.

1361. I observe that you mention in your Report that the Clothing Factory is on a system somewhat different from the Army Factories, as not being self-supporting and not buying its own materials?—Yes.

Chairman—continued.

1362. The accounts set out statistical results, do they not?—Mainly so.

1363. And the expenditure upon the manufacturing operations is provided for in the Army Votes?—Yes.

BALANCE SHEET.

Chairman.

1364. (To Mr. *Knox.*) In paragraph 2 of his Report, differences are pointed out by the Comptroller and Auditor General between the Appropriation Account and the Balance Sheet figures, under the heads of Wages (Factory) and Materials; can you explain these discrepancies? —Mr.

6 *May* 1891.] Sir C. L. Ryan, K.C.B., Mr. Ryder, C.B., Mr. Knox, C.B., and Mr. Ramsay, C.B. [*Continued.*

ARMY (CLOTHING FACTORY).

Balance Sheet—*continued.*

Chairman—continued.

—Mr. Ramsay has a statement drawn up which explains the figures; but it is the case that those discrepancies occurred, and attention should have been drawn to it; because the idea, of course, is, that the figures should be reconciled actually with the figures in the Appropriation Account. They are, to all intents and purposes, reconcileable; but the face of the account certainly ought to show the explanation; the figures ought to be traceable.

1365. (To Mr. *Ramsay.*) Could you kindly give the explanation, or is it somewhat complicated?—It is somewhat complicated.

1366. Then, perhaps, it would be better if you were to hand it in?—I will do so. (*Mr. Ramsay handed in a statement accordingly,* vide *Appendix.*)

1367. (To Mr. *Knox.*) In paragraph 4 the Comptroller and Auditor General states that the Balance Sheet of the year 1889–90 included a debit of 537 *l.* 6 *s.* 8 *d.* for wages earned, and charged in that year over productions, but not paid until 1889–90; and he states that credit should have been taken for this sum in 1889–90; that he is unable to trace this, and has asked for an explanation, but that no explanation has at present been furnished; what explanation have the War Office to give in reply to that statement?—That also ought to have appeared, I think, on the face of the Account, and the figures practically do adjust this transaction, but it is not shown upon the face of the Account, and the Account should show it. Arrangements will be made in future to do so.

1368. And that explanation will be furnished to the Comptroller and Auditor General?—Yes.

INDIRECT EXPENDITURE ACCOUNT.

Chairman.

1369. The Indirect Expenditure includes, I see, a charge of 407 *l.* 3 *s.* 2 *d.*, apparently for workmen's pensions. The Comptroller and Auditor General states that he called attention to the fact that the inclusion of this amount was at variance with the practice adopted in the case of the Ordnance Factories, and he was informed that the Secretary of State for War had decided not to disturb this charge in the case of the Clothing Factory, but the grounds of that decision are not stated; perhaps you will explain the matter?—The greater part of this superannuation charge is on behalf of those establishments whose superannuation is chargeable now to the Ordnance Factories. The superannuations which were omitted from the Ordnance Factories were those for the workmen's and artisans pensions; but the Votes still continued to bear those of the superior establishments. The workmen's pensions in the Clothing Factory represents a comparatively small charge. The Secretary of State gave full consideration to the matter, and it was his individual opinion that the superannuations had better continue to be charged in the case of the Clothing Factory.

ARMY (CLOTHING FACTORY).

Indirect Expenditure Account—*continued.*

Chairman—continued.

1370. (To Sir *C. L. Ryan.*) As this is purely a Statistical Account you would probably say that this is not of the same importance as it would probably be in the Ordnance Factories Account?—I think it is not.

1371. (To Mr. *Knox.*) I gather from you that is only a small part of the 407 *l.* that would be analogous to workmen's pensions in the case of the Ordnance Factories?—Yes.

1372. (To Sir *C. L. Ryan.*) Under those circumstances would you be satisfied with the explanation?—I think so.

1373. (To Mr. *Knox.*) Then I see that there are no payments to the Stationery Office, the debit of 90 *l.* not being represented by any actual payment, and also that the debit of 158 *l.* 6 *s.* 4 *d.* for contribution to local rates is only an estimated proportion; why are no corresponding payments made in this case?—Payments on account of such services to other Departments have of course not been the practice; but they have been introduced into the Ordnance Factories, as the Committee are aware, but that is a special Account quite different from anything which exists anywhere else; it was not, however, thought that the same rigid rule should be applied in this case as in the other case, that a payment should be made for this stationery, which is practically supplied to the Army Department, where it is not made in respect of any other stationery for the Army; and similarly with regard to the contributions for rates.

1374. Are no payments made for stationery in respect of other Army Votes?—No.

1375. There is merely a statistical statement at the end of the Account?—That is all.

1376. (To Sir *C. L. Ryan.*) Would you urge any alteration in the practice in regard to that?—No; it is not technically correct; but I should not be disposed to press this any more than the preceding paragraph.

1377. On the same ground that these are purely statistical Accounts?—Yes; it is not on a self-supporting basis like the Ordnance Factories; it is different.

1378. (To Mr. *Ryder.*) Would the Treasury be disposed to take the same view?—I think they would agree with the Comptroller and Auditor General.

PRODUCTION STATEMENT.

Chairman.

1379. (To Mr. *Knox.*) The Comptroller and Auditor General, in the first place, in paragraph 10 of his Report, states that he thought it necessary to call the attention of the War Office to the misleading nature of the unqualified heading "Cutting" under "Labour" in the Production Statement, which he says includes a variety of labour other than cutting; what would you say upon that point?—Mr. Ramsay, I think, had better reply to your question upon this point.

6 *May* 1891.] Sir C. L. Ryan, K.C.B., Mr. Ryder, C.B., Mr. Knox, C.B., and Mr. Ramsay, C.B. [*Continued.*

Army (Clothing Factory).

Production Statement—*continued.*

Chairman—continued.

(Mr. *Ramsay.*) It is proposed in the next Account to show the "Cutting" and "Viewing" separately.

1380. Is it proposed, therefore, as the Comptroller and Auditor General suggests, to eliminate all the charges, except for Cutting proper, from the Direct and transfer them to the Indirect Expenditure?—It is proposed to show in the Account what is the actual cost of the Cutting and Viewing.

1381. Then the "Cutting" will be separated from the "Viewing" in future?—Yes.

1382. Does the "Viewing" come under Indirect Expenditure?—No; the "Viewing" comes under the Direct Expenditure.

1383. (To Sir *C. L. Ryan.*) Do you not suggest that there are some charges which ought to be separately put to the Indirect Expenditure; I am referring to paragraph 1 of your letter (B,) on page 85?—We did make a suggestion of that nature; but I think that this division, which Mr. Ramsay has suggested, will, considering the nature of this Account, practically meet the object of our paragraph.

1384. (To Mr. *Ramsay.*) Then with respect to the Comptroller and Auditor General's other suggestions, namely, the adoption of a value scale for trimmings of garments, what have you to say?—That would be no doubt a very good suggestion so far as relates to accounts, and would save a great deal of trouble on both sides; but

Army (Clothing Factory).

Production Statement—*continued.*

Chairman—continued.

there has to be borne in mind that it rather tends to increase petty pilfering unless those issues are carefully watched, because those articles consist mainly of thread silks, and of various other things that are easily disposed of in the trade; and what I am afraid of is, from an administrative point of view, that it may be an encouragement or rather temptation to women to take those things out of the building and make away with them. Under the present system of check they cannot do that.

1385. I am afraid I cannot follow the reason for that at once?—Because they get the trimmings only for the particular garment that they have got to make. We could carry out the view of the Comptroller and Auditor General in lumping it up all in one sum, and still keep a subsidiary account to enable us to check the issues that are made to each particular operative.

1386. (To Sir *C. L. Ryan.*) Are you able to follow that explanation?—I think I may say generally, with regard to it, that Mr. Ramsay admits it would save a considerable amount of labour. There may be administrative reasons as with regard to a check in the present system of accounts on pilfering, which I am not able to understand. I think perhaps if the question was to be left for the present year it might be looked into again and brought up for future consideration.

[Mr. *Knox* and Mr. *Ramsay* withdrew.

NAVY APPROPRIATION ACCOUNT, 1889-90.

Mr. W. G. P. Gilbert, re-called; and further Examined.

Store Accounts of the Navy.

Outstanding Questions.

Chairman.

1387. (To Sir *C. L. Ryan.*) In paragraph 1 of your Report, I see you mention two questions which were left outstanding last year. The second of those questions appears to have been settled; but with regard to the first one, relating to the officer or persons by whom stocktaking at the Dock and Victualling Yard should be conducted, I think you state that that subject will be dealt with again in your Report next year, and I think it will probably be better that this Committee

Chairman—continued.

should consider it then?—Yes, because it has not been in force during the year 1889-90, and therefore there has been no opportunity of considering it sufficiently.

1388. With regard to paragraph 2, I think the points you raised there and in the earlier part of paragraph 3, will come up on the Expense Account?—Yes; I think that they had better be dealt with on the Expense Account.

Stocktaking at the Home Dockyards.

Chairman.

1389. In regard to paragraph 4, I observe you state that you have carefully examined the Stocktaking Returns for 1889-90, and that they may be considered satisfactory at the Home Dockyards?—I think they compare favourably with the returns of past years.

Chairman—continued.

1390. And great efforts have been made to conform to the regulations with the result that the rule requiring that all stocktaking of all the stores at the yards should be completed within three years, has been practically carried out?—Yes.

1391. You

Navy Appropriation Account.

Stocktaking at the Home Dockyards—*continued.*

Chairman—continued.

1391. You also state that the total value of the stocktaking in 1889-90 was about 934,380 *l.*, and that the values of surpluses and deficiencies discovered compare very favourably with those shown in your Report of last year?—It is so.

1392. (To Mr. *Gilbert.*) Last year the Committee had before them the case of a loss occasioned by the transmission of six defective hand masts to Malta Dockyard. The Comptroller and Auditor General draws attention to a much more serious case in these accounts, occasioning a loss of upwards of 900 *l.*, owing to the condemnation of a large number of Riga hand masts and Oregon pine masts at the Malta Dockyard. We shall be glad to hear any explanation that you may be able to give with regard to those things?—Those masts were sent out in 1885, in anticipation of immediate war, chiefly in order to provide for the torpedo net defence of ships. It was a larger number than could properly be stored at Malta.

1393. I see that the Comptroller and Auditor General states that the defective condition of these masts appears to have been attributed partly to climatic influence, and partly to insufficient protection owing to the want of proper storage accommodation; have you anything to say within regard to that remark?—That was so. The officers of the dockyard had represented that there was insufficient storage accommodation; and it has been since arranged to provide additional covered storage accommodation.

1394. The regulations seem not to have been complied with; but was that owing to there being insufficient storage accommodation?—Not exactly that. The regulation as to painting was not complied with, as experience had led the officers to conclude it was unnecessary. Moreover it was costly, and I expect the necessary labour was hardly available at such a time for an unusually large number of masts.

1395. That would only apply to that time; they might have been properly protected afterwards, might they not?—Yes, they might; but then there would have been the handling of those masts, and that is a costly thing; they are large spars; and their experience of masts generally was that they did not require that protection by painting.

1396. Still you do not regard lightly a loss of 900 *l.*?—By no means, and we have directed the officers for the future to paint the spars if necessary. But it will hardly be necessary, because arrangements have been made for building a suitable covered shed.

Mr. *Salt.*

1397. Is it your view that the masts were in proper condition when they were sent out?—Yes, I think they were. They were not perhaps subjected to the usual strict overhaul, because there was a large number required without any delay; they probably were not so good as spars we should send out now; they had been in store in England, and might have deteriorated a little there; but we should regard them as serviceable stores.

Navy Appropriation Account.

Stocktaking at the Home Dockyards—*continued.*

Mr. *Salt*—continued.

Stores laid apart for the use of Mercantile Auxiliaries.

Chairman.

1398. The Comptroller and Auditor General states that he inquired as to whether there was any periodical survey of certain Naval Stores at Portsmouth, Chatham, and Devonport, which had been written off charge by the respective storekeepers, and laid apart in the custody of the captains of the steam reserve at those yards. I think he had not received any reply when he reported?—He had not. He has received a reply since, in the last week.

1399. What is the nature of the answer to the point?—The answer is, that stock had been taken at Portsmouth and Devonport, but not at Chatham. I have been deferring the answer, hoping to be able to say that it had been done at Chatham also, but it has not been possible, so far.

1400. Is it intended to have a periodical survey of such stores?—Yes.

1401. (To Sir *C. L. Ryan.*) Are you satisfied with that explanation?—I think it would answer that point.

Store Accounts, Victualling Yards.

Chairman.

1402. (To Mr. *Gilbert.*) With respect to this paragraph No. 7, although there has not been a large loss, it appears that a loss occurred at Sydney through the non-observance of the regulations regarding unserviceable stores which ought to be sold by public auction, and not to be parted with until full payment has been received from the purchaser; both those conditions appear to have been disregarded in a case of condemned biscuits sold at Sydney; are you able to give us any explanation with regard to that?—I am unable to speak in regard specifically to this biscuit; but, speaking generally, I know that Sydney has been rather undermanned and overburdened with work; it is a growing establishment, and probably the officers there did the best they could under the conditions. But I am unable to state more; I do not know the circumstances of this particular case.

1403. (To Mr. *Ryder.*) I suppose the Treasury would attach importance to the observance of these regulations?—I fancy that the loss ought not to have been written off without Treasury sanction. I am not aware whether the case was ever brought before the Treasury.

1404. (To Mr. *Gilbert.*) Perhaps you could arrange with Mr. Yorke, at the Admiralty, to send some information to the Committee with regard to this point?—I will do so.

NAVY APPROPRIATION ACCOUNT.

NAVAL STORE ACCOUNTS OF HER MAJESTY'S SHIPS.

Chairman.

1405. The Comptroller and Auditor General points out that there is something like a manipulation of accounts in the case of Torpedo boat No. 69, where the credits of coal by weekly expenditure totalled to 480 cwt., but that 1,025 cwt. was allowed as expenditure apparently under-estimated; what have you to say in answer to that?—We have had considerable difficulty in getting anything like an accurate account from torpedo boats. In this case the deficiency was allowed, because we were quite assured that there could have been no irregularity. The quantity of coal issued to the boat before she left harbour was known, and the quantity she had on board when she arrived at her destination was ascertained; the expenditure was a reasonable quantity, and therefore it was allowed.

1406. I observe that in the case of one of the other torpedo boats greater accuracy was obtained?—Yes. It happened in the case of that boat, I suppose, that the men knew a little about accounts.

1407. The Comptroller and Auditor General suggests that it would seem to be not impossible, even on board a torpedo boat, to record expenditure with a greater approach to accuracy than was done in these cases; would you agree with that view?—With a greater approach to, but not with sufficient, accuracy. We have made rather exceptional regulations in regard to torpedo boats for the future. We have found that it was so difficult to get accurate accounts from them that we are nursing them as it were; we have adopted a system of making up their accounts immediately they come in by officers outside the boats altogether.

1408. Has that system been communicated to the Comptroller and Auditor General?—I think not; but it will be open to him of course.

TRANSPORT STORE ACCOUNTS.

Chairman.

1409. The Comptroller and Auditor General calls attention to the growing system of supplying the pilots in the Suez Canal with liquors;

NAVY APPROPRIATION ACCOUNT.

Transport Store Accounts, &c.—*continued.*

Chairman—continued.

that is not a question for you perhaps?—No; it is Transport Store Account.

1410. (To Sir *C. L. Ryan.*) Is there anything you wish to say upon that paragraph?—The substance of that paragraph is that that matter ought to be put under proper regulations; and if the Committee were to make an observation to that effect in their Report, I think that would meet the case.

REPORTS OF Mr. FORWOOD'S COMMITTEE ON NAVAL WARLIKE STORES.

Chairman.

1411. (To Mr. *Ryder.*) With respect to the promise you gave at the last meeting but one, that you would ascertain for us whether the Report of Mr. Forwood's Inter-Departmental Committee could be laid before this Committee, are you able now to answer the question?—The Chancellor of the Exchequer gave me instructions this morning as regards the answer to your question. He said that the matter had been considered between himself, the First Lord of the Admiralty, and the Secretary of State for War, and the conclusion come to was that it would be better not to present these two Reports; but I must add that the Secretary of State for War placed himself at the disposal of the Committee, and will be perfectly ready to give an explanation of the matter to the Committee, if they wish it, personally. This decision, I may say, was arrived at on administrative grounds. It is recognised that the Public Accounts Committee have a legitimate interest in the reports on their financial side, and as dealing, amongst other things, with the reference which the Chancellor of the Exchequer communicated to the Committee last year. It was accordingly considered whether extracts from the reports, bearing upon that reference, could not be supplied to the Committee. This was found to be impracticable, however, because the more purely financial parts of the reports are so closely interwoven with others, treating of more or less debatable points of administration, which it is inexpedient to publish.

[The Witnesses withdrew.

Wednesday, 8th July 1891.

MEMBERS PRESENT:

Mr. Sydney Buxton.
Mr. Crawford.
Mr. Jackson.
Sir John Lubbock.
Mr. Arthur O'Connor.
Mr. Salt.
Sir Richard Temple.
Mr. Webb.
Mr. Wodehouse.

MR. SALT, IN THE CHAIR.

DOCKYARD EXPENSE AND MANUFACTURING ACCOUNTS.

Mr. RICHARD MILLS and Mr. GEORGE RYDER, C.B., called in; and Examined.

Mr. GORDON W. MILLER, called in; and Examined.

COMPLETE TEST EXAMINATION OF HOME DOCKYARDS IN 1889–90.

Chairman.

1412. (To Mr. *Mills.*) I UNDERSTAND this is the first year in which the Expense and Manufacturing Accounts of all the Home Dockyards have been subjected to a test examination?—That is so.

OUTSTANDING QUESTIONS.

ISSUES OF STORES TO CAPTAIN OF STEAM RESERVE FOR FUTURE USE.

Chairman.

1413. Has the system under which Naval Stores laid apart in the custody of the captain of the Steam Reserve are kept in touch, yet been put upon a more satisfactory footing?—The Comptroller and Auditor General understands that instructions have been given by the Admiralty to meet the points raised by him. The details of those instructions have not yet come under his notice; and he therefore reserves his opinion for a future occasion.

1414. (To Mr. *Gordon Miller.*) Have you anything to say upon this point?—Copies of the detailed instructions issued have been recently forwarded to the Comptroller and Auditor General.

1415. The matter is proceeding?—The matter is proceeding.

LABOUR.—TONNAGE.

Chairman.

1416. With regard to this question of tonnage, has it been decided by the Admiralty whether "Tonnage" payments animadverted upon by the Comptroller and Auditor General are to be placed upon a different basis or to be discontinued altogether?—Difficulties have occurred in carrying out the system of payment by tonnage. The question as to the best method of payment for piece work is at present under consideration. It is one of considerable difficulty, but the Admiralty hope very shortly to place the system on a sound footing.

Chairman—continued.

1417. (To Mr. *Mills.*) Has the Comptroller and Auditor General anything more to say upon that point?—Not at present.

TASK AND JOB (PIECEWORK).

Chairman.

1418. (To Mr. *Gordon Miller.*) Have the Admiralty taken steps to prevent a recurrence of such irregularities under Task and Job Piecework as are referred to by the Comptroller and Auditor General?—Yes; since November 1889 a system of independent check upon task and job earnings has been in operation, which may prevent a repetition of irregularities of the description alluded to.

MEASURERS NOT INDEPENDENT OF THE PROFESSIONAL BRANCHES.

Chairman.

1419. Is it practicable to render the measurers records independent of the Executive Departments, as suggested in the Report?—It is thought that independence of record may be secured by computing the tonnage earnings independently of the measuring. Hitherto the measurers have measured the work, and have computed the earnings at specific rates. It is under consideration whether greater independence would not be ensured by separating these two processes, so as to make the one perfectly independent of the other.

Dockyard Expense and Manufacturing Accounts.

Materials.

Coals issued in Repayment at Inadequate Rates.

Chairman.

1420. Have the Admiralty reconsidered the question of making recoveries from India and the War Office in respect of coals issued at inadequate rates, to which the Comptroller and Auditor General refers in this paragraph of his Report?—That is a question which I think was considered by the Accountant General of the Navy, and being a matter of claim it would relate to his Department. I mention that because he, being here, might perhaps answer the question.

Dockyard Expense and Manufacturing Accounts.

Coals Issued in Repayment at Inadequate Rates—*continued.*

Chairman—continued.

Sir Gerald FitzGerald, K.C.M.G., re-called; and further Examined.

Chairman.

1421. Can you answer the question I have put upon Paragraph 6, as to whether this question of making recoveries from India and the War Office has been considered?—Yes. It was considered impracticable to charge India and the War Office with the excess amounts for the following reasons. In the first place the claims had been preferred and paid on the basis of the authorised rate book, copies of which had been supplied by the Admiralty to those Departments. In the second place the short charge for India for 1888–89 was found to have been partly set off by overcharges in previous years, and it would obviously be unfair to adjust the last year's claims in a direction favourable to the Admiralty without re-opening those of previous years, the adjustment of which would have been to the advantage of India. Thirdly, if this course were adopted, it might be considered necessary to go back over a long series of years, and to re-examine claims already settled upon the then established basis, and to make other adjustments rendered necessary by the introduction of subsequent methods of calculation. If this practice were introduced there would be no certainty or finality between any transactions between the two Departments. A further reason operates against re-opening the claims in the War Department, inasmuch as the transactions affect only Imperial Funds, and no advantage would be gained by a subsequent adjustment of claims already settled between two Home Departments, which would compensate for the labour involved in the official correspondence which must ensue

1422. (To Mr. *Ryder.*) What are the Treasury's views upon that point?—The point has not been brought before the Treasury; but so far as I can judge the Treasury would be satisfied with the explanation given by the Accountant General.

1423. (To Mr. *Mills.*) Has the Comptroller and Auditor General anything to say upon the point?—I think the Comptroller and Auditor General would like to consider the explanation now given.

1424. Does any question arise upon this with regard to the future, or is it with regard to the past?—I think the important point is with regard to the future. The Comptroller and Auditor General considers that there would not be any serious difficulty in making an arrangement for the future which would satisfy him. (Mr. *Gordon Miller.*) I may say that we have established a system by which the actual cost of coal will in future be charged against the War Department and India.

Chairman—continued.

1425. With regard to the future, you have gone a long way towards meeting the suggestions made by the Comptroller and Auditor General?—We have.

Manufacturing Accounts.

"Direct Charges" for the Services performed by the Conversion Shops.

Chairman.

1426. Is the unvarying rule to dispense with cost accounts where articles are made on "direct charge," or are there exceptions in the more important cases of manufactures?—Cost accounts are kept of all ships in course of construction at the dockyards. The Admiralty are now making machinery for ships in the dockyards, and in that case cost accounts will be kept. Also detailed accounts are kept of the cost of torpedo tubes made in the dockyards.

1427. (To Mr. *Mills.*) Have you anything further to say on behalf of the Comptroller and Auditor General on this matter?—I think the Comptroller and Auditor General would probably be satisfied with that explanation.

Stock Valuation Account.

First Charge in £. Values.

Chairman.

1428. (To Mr. *Gordon Miller.*) What are the Admiralty views as regards the frequent and independent comparison of the state of items of stock as shown by the Value and Quantity Records respectively?—Arrangements have very recently been made for establishing a current comparison between the Quantity and Value Ledgers, which will constitute a test check upon the Quantity Ledgers at uncertain intervals during each year. This system will be brought into operation at once, and it will be determined hereafter to what extent the test can be applied without occasioning additional expense.

1429. To

8 *July* 1891.] Mr. Mills, Mr. Ryder, C.B., Mr. Miller, and Sir G. FitzGerald, K.C.M.G. [*Continued.*

Dockyard Expense and Manufacturing Accounts.

First Charge in £. Values—*continued.*

Mr. *Arthur O'Connor.*

1429. (To Mr. *Mills.*) Does the Comptroller and Auditor General see any account of the actual stock of material as distinct from the Stock Valuation Account?—Certainly, he examines the Store Accounts as such.

1430. Does he take the stock himself?—He does not take the stock himself, but he sees the certified statements of stock taken, as compared with the ledgers, which show what stock is in store.

1431. Is there any general account into which all these Local Stock Returns are brought?—Does the honourable Member mean, is there a centralised consolidated statement of the whole of the stock in the whole of the dockyards?

1432. Yes, on charge of the Admiralty?—In value it is brought together.

1433. That is where I am trying to draw the distinction; does the actual stock on hand with the Admiralty authorities come as such, that is, as material, under the ken of the Comptroller and Auditor General in any General Accounts?—It does at each dockyard.

1434. Has the Comptroller and Auditor General any means of checking the real worth of this Valuation Account?—Yes.

1435. Is he, for instance, able to judge whether the valuation set upon the stores, which may be more or less obsolete, and not likely ever to be used, is a reasonable valuation, or only a fancy one?—Certainly, so far as the limit of the test examination admits.

1436. Exactly so. It is the remembrance of what passed in this Committee in previous years that led me to ask the question. What has been done in the last twelve months to enable the Comptroller and Auditor General to get that supervision which he had not before?—Steps have been taken by the Admiralty to improve the records of stock valuation.

1437. What are those steps?—The more precise system of keeping the stock and the valuation which has been carried out under the recommendation which a Committee made a year and half ago.

1438. In gauging the value of this Stock Valuation Account, is the Comptroller and Auditor General in a position to check the reasonableness of the price put upon these several articles?—Quite so; taken as a whole.

1439. As to their being obsolete or not obsolete?—Fully; but it must be understood that the values put upon obsolete articles are necessarily accepted upon the certified statements of qualified professional officers, whose reports, however, are subject to criticism and inquiry by the Comptroller and Auditor General if any ground for such question appears to arise.

Dockyard Expense and Manufacturing Accounts.

Balance Sheet.

Annual Statements rendered to the Admiralty by Yards in £. Totals only.

Chairman.

1440. (To Mr. *Gordon Miller.*) Do not the Admiralty consider, now that the Expense Accounts have grown in importance, that the results would be better brought out in £. *s. d.* instead of in £. only?—One obstacle is the clerical labour; but there is this difficulty also in bringing the shillings and pence into the accounts in the form they are presented to Parliament, that if the figures were expanded so as to bring in the shillings and pence, the book would become much more bulky.

1441. Have you ever thought of introducing the decimal system?—No, that did not occur to us; probably that would simplify the entries. But I might say that since the Comptroller and Auditor General called attention to the system of rounding off the shillings and pence, we have improved it. According to the dockyard regulations that had been in existence for a considerable time, any sum above 10 *s.* was counted as 1 *l.*, and below 10 *s.* was disregarded. This system did not give satisfactory results. Now the odd shillings and pence are so rounded off, that the totals in the Expense Account agree with the aggregate expenditure distributed.

Valuation of Stock at 31st March 1890.

Mr. *Arthur O'Connor.*

1442. (To Mr. *Mills.*) I see that the value of stock of Naval Stores shows a diminution to the extent of 150,000 *l.*, and rather more. The Comptroller and Auditor General says that this difference in value "is largely accounted for under the head of depreciation, as shown in pages 248–249 of the accounts; but a sum of about 37,000 *l.* remains, which is due to the depletion of stock, with regard to which I have asked for explanations in its bearing upon the Ship-building Programme." Leaving altogether the point of the Ship-building Programme for the moment, I would ask the Comptroller and Auditor General how he is able to distinguish between that portion of the 150,000 *l.*, which is admittedly accounted for, or is said to be accounted for, under the head of depreciation, as shown on the pages referred to, and the sum of 37,000 *l.*, which is due to depletion of stock?—The Comptroller and Auditor General has not followed the whole of these figures on this occasion so fully as he will be able to do in future, with the exception of the depreciation of stock.

1443. You not only have stock which has depreciated, in part at least, but you have also actual depletion; you have the diminution of quantity, and the depreciation or deterioration

8 *July* 1891.] Mr. Mills, Mr. Ryder, c.b., Mr. Miller, and Sir G. FitzGerald, k.c.m.g. [*Continued.*

Dockyard Expense and Manufacturing Accounts.

Valuation of Stock at 31st March 1890—*continued.*

Mr. *Arthur O'Connor*—continued.

in value of that which you have remaining on hand?—Yes.

1444. It leaves 151,843 *l.* to be accounted for; the Department accounts, or appears to account, for a considerable portion of that; but there remains 37,000 *l.*, which is apparently admitted to be due to depletion of stock?—That is to say, to the less quantity of stock in store at the end of the year as compared with the commencement. That is a very simple matter to check.

1445. Apart from that depletion of stock, if you should have a slightly higher factor in the way of valuation for particular articles which have, in fact, been depreciated, you would not be under the necessity of taking any notice of the apparent diminution in the total value of the stock. What I want to know is, how does the Comptroller and Auditor General check that very important factor which represents the degree of depreciation of stock?—I think the honourable Member probably is not aware that the Comptroller and Auditor General has at each of these stations a local staff dealing with the actual vouchers upon which that whole account is built up, not taking the whole of the details (for the details of it are enormous), but testing the various transactions, and verifying the book entries on the spot which go to make up this total.

1446. I do not want to labour this matter, or spend more time than is absolutely necessary over it, but I should like to point out for your recognition the very clear distinction between depletion of stock as stock, and the deficit shown in the Valuation Account. The depletion of stock

Dockyard Expense and Manufacturing Accounts.

Valuation of Stock at 31st March 1890—*continued.*

Mr. *Arthur O'Connor*—continued.

is discovered by stock-taking, by the balance which you have on hand as compared with what you had at the beginning of the period of account; that is not a question of money values at all; you do not want any Valuation Return for that purpose. But when you come to the Valuation Return then you find that you have certain alterations in figures due to what is called depreciation. Now I want to know whether the Comptroller and Auditor General is in a position, first of all, to check from the actual stock-taking the real depletion of stock *qua* material; and, secondly, is he also able to check the propriety of the deductions made in the money account, on account of depreciation in the value of the particular articles?—Certainly, the two accounts are practically kept at the yards; that is to say an Account of the Quantities, and an Account of the Prices which those quantities represent. They are brought on charge at the beginning of the year; the actual quantities and the values at the rate-book price. It follows, that if nothing else happens, the valuation at the end of the year will be the valuation at the rate-book price of the quantity remaining in store. But when depreciation takes place, that rate-book valuation of the balance is altered, and that alteration and the basis on which it rests comes actually under the notice and test of the Comptroller and Auditor General. The details of this the honourable Member will find at pages 248 and 249 of the Accounts. Perhaps the Committee will allow Mr. Bromley, who has immediate charge of the details, to answer as to any matters of detail which I have not made clear to the Committee.

Mr. John Bromley, called in; and Examined.

Mr. *Arthur O'Connor.*

1447. (To Mr. *Bromley.*) I am concerned only with these two facts which appear upon the face of his Report. First of all, the general result in respect of quantities is that there has been depletion of stock, which, whatever the quantity that is wanting, may be, represents a money value of 37,000 *l.* Besides that there is the fact there has been a diminution in the total value as compared with last year to the extent of 151,000 *l.*?—There has been that depreciation written off from the transactions at the close of the year.

1448. So that you not only have a depleted stock to the extent of 37,000 *l.*, but that which you have on hand is less in value than it had been. Now the further question which I ask is this; does any of this depreciation arise from the fact that certain articles still remaining in store

Mr. *Arthur O'Connor*—continued.

are not ever reasonably likely to be employed in the service, or is it due to the mere deterioration in condition from rust or want of paint, or anything of that sort?—If you turn to page 248 you will see the details. The depreciation and depletion are very much intermingled. The depreciation is shown out in absolute detail for the various yards where the depreciation took place. Taking the first item, "To net decrease in the value of stock upon annual re-valuation, 22,439 *l.*," that means that on the 1st April the rate-book prices, in consequence of the new contract rates ruling, were decreased. The whole stock was re-valued. Taking the two values, on the 31st March and the succeeding 1st of April, all those values being verified according to the rate-book, and under the new contract rates, a difference in value of 22,000 *l.* against the stock appears.

1449. Does

8 *July* 1891.] Mr. Mills, Mr. Ryder, C.B., Mr. Miller, Sir G. FitzGerald, K.C.M.G., and Mr. Bromley. [*Continued.*

Dockyard Expense and Manufacturing Accounts

Valuation of Stock at 31st March 1890—*continued.*

Mr. *Arthur O'Connor*—continued.

1449. Does that mean the identical articles?—Yes. We take the articles shown to remain in each store, and multiply by the rate-book value, and the fact that the rate-book value has decreased, accounts for 22,000 *l.* You see opposite the first item on the credit side in line 16, "By net increase in the value of stock upon annual re-valuation," the amount is blank. In another year you might find it *vice versâ*. Then if you take the next item on the debit side, "To net decrease in the value of stock due to alteration in rate-book prices during the year," this means that periodically the rate-book is altered as the new contracts are entered into, and it accounts for a comparatively small sum. Then you come to a large item, "To net decrease on account of difference between prices at which stores have been purchased, and rate-book rates." This means that in the dockyard the rate-book rates are adopted for convenience, and not, as at Woolwich, the exact prices. A contractor, for instance, sends things invoiced at 100 *l.*; but the rate-book rates of those articles, I will assume, are only 80 *l.*, and therefore a debit of 20 *l.* would appear in such a case. The aggregate of those differences for the year, which we have tested, amounts to 104,146 *l.* In the same way I can deal with each of these items, going down this list. I will take only the larger ones. There is 22,244 *l.*, "To value of materials taken off charge on survey." Those would be things possibly returned from ships, or, as has been suggested, found obsolete. That is comparatively a small sum on such large transactions. Then there is an item "To value of materials taken off charge on sale," 35,421 *l.* There is a corresponding entry under credit in line 26 of 44,832 *l.*, that is to say the materials that have been taken off charge the professional value of which was 35,000 *l.*, the details being before us, have realised rather more on sale, so that the professional valuation was a little under the market value. All these items of appreciation and depreciation we have full cognizance of so far as our test examination goes.

1450. Would you point out on page 248 where the obsolete articles would appear?—The obsolete articles would come under the articles "For future use." I speak subject to the correction of the Inspector of Dockyard Expense Accounts. But if you look at the Balance Sheet we have a division there distinguishing what we call obsolete articles. You will see, in accordance with a suggestion of the Comptroller and Auditor General in a previous year, that there is an entry (page 16), That distribution is one of the first suggestions made by the Comptroller and Auditor General; and those items are all supported in detail by the ledgers. (Mr. *Gordon Miller.*) I might point out that the Admiralty have recently called for a return from the dockyards asking for a re-valuation of all the articles of importance which might have become obsolete in the course of the past year, such as boilers and machinery in stock. (Mr. *Bromley.*) That is in consequence of the action taken last year. (Mr. *Gordon Miller.*) A return of this description was obtained from the dockyards in 1887, that now called for is in consequence of the action taken last year by the Comptroller and Auditor General. (Mr. *Bromley.*) That is referred to in Sub-section D. of paragraph 2 of the present Report.

Dockyard Expense and Manufacturing Accounts.

Valuation of Stock at 31st March 1890—*continued.*

Mr. *Arthur O'Connor*—continued.

Delay in Rendering Annual Accounts for 1889–90.

Chairman.

1451. (To Mr. *Gordon Miller.*) The Comptroller and Auditor General remarks that the examination of the final abstracts and statements now presented to Parliament has been made somewhat less complete by the late date at which they have been submitted for audit. I wish to ask, will care be taken at the Admiralty that the Expense Accounts of 1890–91 are rendered at the proper time?—It will. The circumstances last year were exceptional. The Admiralty were in correspondence with the Treasury upon certain points involving financial adjustments, and we were unable to complete our Accounts till certain points were settled. We are not aware of any occasion of delay in the future.

1452. There is a time fixed by statute, is there not?—Yes.

8 *July* 1891.] Mr. Mills, Mr. Ryder, C.B., Mr. Miller, Sir G. FitzGerald, K.C.M.G., and Mr. Bromley. [*Continued.*

NAVAL DEFENCE ACT.

General Remarks.

Paragraphs 1 and 2.

Chairman.

1453. (To Sir *Gerald FitzGerald.*) Will you explain why the first Annual Account under the Naval Defence Act, 1889, was rendered to the Comptroller and Auditor General at so late a date?—The form in which the Account should be prepared was not received from the Treasury until the 17th January 1891. The Expenditure through the Expense Accounts, as well as the Estimates, was communicated by the Controller on the 7th March, giving rise to various questions before the Account could be finally closed. The Account was submitted to the Treasury on 30th March and returned by that Department on 27th May (the letter bearing date 30th April). It is doubtful whether this Account can be furnished by the 31st December in each year, being dependent on the completion of the Expense Accounts. The Expense Accounts, as has just been mentioned by the Inspector of Dockyard Expense Accounts, are not required to be rendered to the Audit Department until the 31st January.

1454. The date in this case is earlier, is it not?—Yes.

1455. You say it is difficult to comply with the Act of Parliament in that respect?—There is no Act for this Account especially.

1456. Is there no special time named?—No.

Mr. *Arthur O'Connor.*

1457. What meaning does the Admiralty attach to the words in Section 5: "As Appropriation Accounts;" have not the Appropriation Accounts to be furnished by a certain date?—Yes, by the 31st December; but the Accounts under Naval Defence Act cannot be furnished until the Expense Accounts are completed.

Mr. *Arthur O'Connor*—continued.

1458. If the Act of Parliament says they are to be furnished "as Appropriation Accounts," and if the Appropriation Accounts are to be furnished by the 31st December, the reasonable conclusion would be, would it not, that those Accounts also ought to be furnished on the 31st December?—The Appropriation Accounts for the Navy are furnished on the 31st December, but the Act only says "as Appropriation Accounts," which I take it does not mean at the same date as the Appropriation Accounts. It would be impossible to furnish this account at the date at which the Appropriation Accounts of the Navy are furnished.

Chairman.

1459. However on this matter you will try to come to a convenient arrangement with the Comptroller and Auditor General?—Certainly. (Mr. *Mills.*) I should like to remark that the Home Ship-building Accounts are completed long before the Expense Accounts; and that the portion of the Expense Accounts which the Comptroller and Auditor General requires for the purpose of checking the Naval Defence Accounts, he ventures to think could be prepared in time, though the Expense Accounts as a whole are not completed so early. (Sir *Gerald FitzGerald.*) As soon as the necessary information is given to the Accountant General he will furnish the Account to the Treasury and to the Comptroller and Auditor General.

Estimate of Ships Building under the Act.

Chairman.

1460. How was it that Section 4 of the Naval Defence Act, dealing with Estimates for Ships Building, was not complied with?—We furnished the Treasury with the Estimates as soon as possible, and we presumed they would supply them to the Comptroller and Auditor General.

Mr. *Jackson.*

1461. Is it the case that you supplied them before any money was applied under the provisions of the Act?—No; that was impossible for the first year in which the estimates had to be prepared.

Mr. *Jackson*—continued.

Chairman.

1462. Your answer is that it was impossible to comply with the Act in the first year?—Yes.

1463. The terms in the Act are really very precise, are they not?—Yes.

1464. With regard to the last part of paragraph 7, on page 10, are the red ink figures, given under "Estimate" in the account final, as assumed by the Treasury?—Yes, they are.

Vessels to be Built by Contract.

Work done in Dockyards upon Torpedo Tubes charged against the £.10,000,000.

Chairman.

1464*. Is the regularity of the charge for torpedo tubes made in the dockyards against the ten millions maintained by the Admiralty; do you consider that a regular charge?—This question affects the Expense Account. (Mr. *Gordon Miller.*) The decision to charge this sum

Chairman—continued.

8 *July* 1891.] Mr. Mills, Mr. Ryder, C.B., Mr. Miller, Sir G. FitzGerald, K.C.M.G., and Mr. Bromley. [*Continued.*

Naval Defence Act.

Work done in Dockyards upon Torpedo Tubes, &c.—*continued.*

Chairman—continued.

sum against the ten millions was after communication with the Treasury and obtaining their sanction; there was some doubt whether it would be exactly in accordance with the provisions of the Act, but it was one of those points where it was somewhat difficult to carry out the Act exactly, and it was thought that the course pursued would be best under the circumstances.

1465. (To Mr. *Ryder.*) Does the Treasury support that view?—The Treasury, I believe, maintains the view it originally took that this was a proper charge against the Contract Fund of 10,000,000 *l.* The choice lay between the two funds, the Contract Fund and the Dockyard Ship-building Fund. The Treasury held that it could not be charged to Dockyard Ship-building, because the expense did not occur in the dockyard after delivery by the contractor, and therefore the only alternative was to charge the money to the ten millions.

1466. You think that, on the whole, it was regular to charge it to the ten millions?—Yes.

Inspection of Contract Work.

Chairman.

1467. (To Sir *Gerald FitzGerald.*) The Comptroller and Auditor General makes some criticisms as to the method in which the charges for inspection have been made; have the Admiralty got any remarks to make upon that matter?—Probably the Treasury will explain the reason for the decision in their letter of the 15th October 1890. The Admiralty view, as stated in the letter of 19th May 1890, was, that the whole of the expenses incurred in inspecting the Shipbuilding by Contract under the Defence Act should be charged to the Defence Fund.

1468. (To Mr. *Ryder.*) Does the Treasury take the same view?—I think there is no material difference between the view of the Admiralty and that of the Treasury. The difficulty lay in determining whether this inspection charge was an establishment charge within the meaning of the Act. We are forbidden to charge an ordinary establishment charge to the Shipbuilding Fund, and in looking into past accounts we found that the inspection charge has been sometimes regarded as an establishment charge and sometimes not; and, as the best compromise, the Treasury decided that any excess incurred on account of this inspection charge beyond the ordinary provision in a certain sub-head should be charged to the Ship-building Fund.

1469. (To Mr. *Mills.*) Has the Comptroller and Auditor General anything to say upon this point?—No; the point appeared to be a somewhat doubtful one, and he thought it proper to notice it.

Naval Defence Act.

Armaments of Contract Ships (Ordnance Stores manufactured at Government Factories).

Chairman.

1470. (To Sir *Gerald FitzGerald.*) Are any steps under consideration by which the difficulties in regard to armaments, noticed in the Comptroller and Auditor General's Report, will be removed?—The Admiralty had no control whatever over the expenditure in the Ordnance Factories; but the War Office has been requested to keep separate accounts, and it is understood that that is now being done.

1471. Keeping a separate account will remove the difficulty?—It would remove the difficulty.

Dockyard Shipbuilding, including the Completion, &c., in the Dockyards of Contract Vessels.

Expenditure augmented by charging "Advances."

Expenditure further Increased by Direct Charge of Torpedo Tubes.

Chairman.

1472. Have the Admiralty anything to say upon the questions of "Advances," and "Direct Charges of Torpedo Tubes"?—The question referred to in this paragraph was answered under Paragraph 11.

1473. (To Mr. *Mills.*) Has the Comptroller and Auditor General anything further to say upon that?—It appears to the Comptroller and Auditor General to be a separate question. (Sir *Gerald FitzGerald.*) This is a question relating to the Expense Accounts.

1474. What is said in paragraph 19 is this: It refers to what was said just now, and then Paragraph 19 goes on: "A similar increase in expenditure is brought about under New Programme, by the charge of 119,922 *l.* for advances on armour plates, auxiliary machinery, &c., which was not estimated for"?—(Mr. *Gordon Miller.*) It was not formerly the practice to bring to account any expenditure upon armour until the plates were delivered in the dockyards; but as it is the practice to pay advances to contractors on armour plates in course of manufacture, it was thought desirable that the Expense Accounts should agree with the Cash Accounts in this respect; that is to say, as advances were made to contractors on account of armour, which is ear-marked to particular ships, those advances should be immediately brought to account as against the ships.

Mr. *Arthur O'Connor.*

1475. That was in accordance with a similar decision of this Committee some years ago, I believe. It makes the accounts correspond, at all events, more with the actual facts?—That is so.

8 *July* 1891.] Mr. Mills, Mr. Ryder, C.B., Mr. Miller, Sir G. FitzGerald, K.C.M.G., and Mr. Bromley. [*Continued.*

Naval Defence Act.

Expenditure further Increased by Direct Charge of Torpedo Tubes—*continued.*

Chairman.

1476. That is your answer to the criticism of the Comptroller and Auditor General?—Yes.

1477. (To Mr. *Ryder.*) With regard to these paragraphs 19 and 20, do the remarks of the Comptroller and Auditor General upon the torpedo tube question affect the views of the Treasury as to the transfer of the manufacture of torpedo tubes to direct charge?—I do not think they do affect the Treasury view. I cannot say for certain that the full financial effect was before the Treasury mind when they gave that decision; it is possible it was not; but I think the Treasury inclines to making a direct charge against the statutory provision of all expenditure that is susceptible of being so treated. It prefers that course to leaving it out of account for a time and paying the saving on the statutory provision to the Naval Defence Account, which, under the Act, it would be obliged to do.

Mr. *Arthur O'Connor.*

1478. Does the Treasury think, and if so, does it agree with the Admiralty, that the torpedo tubes come under the heading of the arming of the vessel?—I believe the torpedo tube is not part of the armament. If I recollect, we asked the question of the Admiralty, and they said it was not part of the armament. I do not think it has been charged to the armament provision.

1479. Why is it brought into account at all?—It is charged to ship-building, not to armament.

1480. How can it be charged to ship-building when apparently it is a thing that is transferable?—It is part of the ship just as the rudder is part of the ship; it is built up into the ship.

1481. The Comptroller and Auditor General seems to deal with these things as if they admitted of transfer from one ship to another; I should have thought they were part of the ship as you say, but that does not appear to be his idea?—(Sir *Gerald FitzGerald.*) The tube is built into the ship.

1482. (To Mr. *Mills.*) The Comptroller and Auditor and Auditor General says: "It should be added that, in case of the diversion of any of these torpedo tubes, financial adjustment would apparently have to be made upon an estimated value." What does the Comptroller and Auditor General mean by "diversion"?—The variation of the original allocation of them from one ship to another.

1483. That would not affect, I presume, the account to which they are charged?—It would affect the account as against particular ships.

Naval Defence Act.

Expenditure further Increased by Direct Charge of Torpedo Tubes—*continued.*

Mr. *Arthur O'Connor*—continued.

1484. It would not affect the account as between shipbuilding and armament?—No.

Propriety of Charging against the 2,650,000 *l.* certain Expenditure in connection with Contract Vessels.

Chairman.

1485. (To Mr. *Ryder.*) Do the Treasury agree with the Admiralty as to the propriety of charging the amounts in 1889–90 referred to in paragraphs 22 and 23; that is to say, charging certain expenditure in connection with the contract vessels against the 2,650,000 *l.*?—The Treasury would hold that the mode of charge depended upon whether these drawings could be held to be part of the cost of surveying or equipping the contract ships after they had been delivered by the contractors. If the drawings were connected with the original building of the ships necessary for enabling the contractors to fulfil their contract for building the ship, then the cost would come within the contract Ship-building Fund of 10,000,000 *l.*

1486. (To Sir *Gerald FitzGerald.*) Does the Admiralty take that view?—Yes.

Expenditure on Naval Defence Ships prior to 1889–90.

Chairman.

1487. What are the reasons for charging as New Programme Expenditure in 1889–90, the amount spent in that year upon ships on which expense had been already incurred prior to the 1st of April 1889?—These vessels were included in the Programme prepared for the year 1889–90 in anticipation of the Act which absorbed new construction and formed part of the 70 vessels intended to be built under it. The expenditure in question was necessarily undertaken before the end of the prior financial year in order to prevent delay; but the Admiralty were of opinion that expenditure prior to the 1st of April 1889, could not be charged against the statutory provision under the Act for new construction. The result is as stated by the Comptroller and Auditor General, and practically adds 23,940 *l.* to the amount available for building the dockyard ships, &c.

1488. That means that the New Programme work was really begun before the New Programme was passed by Act of Parliament?—Yes, it was necessarily so begun.

[Sir *Gerald FitzGerald* and Mr. *Gordon Miller* withdrew.

VICTUALLING YARD MANUFACTURING ACCOUNTS.

Mr. H. F. R. YORKE, called in; and Examined.

DIFFICULTIES ARISING FROM THE LATE DELIVERY OF ACCOUNTS FOR AUDIT.

Chairman.

1489. (To Mr. *Yorke.*) WILL the proper date for rendering the Victualling Manufacturing Accounts for audit be observed in future?—It will. The delay is much to be regretted.

1490. There is no material difficulty in doing so?—No. I may say that the delay occurred through shortness of the staff, which has since been remedied.

Mr. *Arthur O'Connor.*

1491. Where did the shortness of staff occur?—At the Victualling Yard, and the delay was also due to a change in the staff employed on the work.

1492. How did the shortness of the staff result in delay in this particular year and not in previous years?—Because the work had increased; and it was also, as I said, owing to a change in the staff; the particular man who was doing the work was removed.

1493. Is the Admiralty so dependent upon a particular official that Accounts which have to be rendered under Act of Parliament on the 31st of January are more than two months in arrear because that official happens to be away?—Our staff at the yard is a very small one; so that removing one very good man makes a very great difference.

1494. How many did the staff consist of?—About seven altogether.

1495. Do you say that one man's removal

Mr. *Arthur O'Connor*—continued.

involves a delay of two months in rendering the Statutory Accounts?—It was not entirely that. The Accounts reached me at a very much later date, and at the time my staff in London were employed upon the Estimates.

1496. The representation of the Comptroller and Auditor General, though expressed in very euphemistic language, is a very serious one; he says that these Accounts, which ought to have been rendered on the 31st January, were not rendered until the 8th April, with the result that he has not been able to make Report upon them such as ought to been made, and would have been made if he had an opportunity for the detailed criticism, which you ought to have given?—I hope it will be quite understood that I regret the delay very much, and will take steps to ensure that it shall not occur again.

1497. The explanation is that you were so dependent upon one man out of seven that his removal caused the delay?—It was not entirely that; it was partly owing to the removal of that man, and partly because we were short of staff, and partly that when the Accounts came to be dealt with at my office, my staff was very much engaged on the Estimates. Those three things together made us late.

1498. I hope that gentleman was promoted?—He was.

EXTENT OF IMPROVEMENTS IN 1889–90.

Chairman.

1499. Has any decision been arrived at as to a modified extension of the scope of the Victualling and Manufacturing Accounts?—The last step that took place in regard to this matter was a letter to the Treasury on the 21st March last in which the Admiralty stated that they were not prepared to recommend the institution of Expense Accounts, because they were satisfied that their present system of accounting for Victualling Stores enabled all transactions to be traced, and nothing could be improperly disposed of, and they were therefore not prepared to recommend the considerable increased expense which would be necessitated by instituting Expense Accounts.

1500. (To Mr. *Mills.*) Has the Comptroller and Auditor General anything more to say upon that point?—No; not for the moment, pending the Treasury decision.

1501. (To Mr. *Yorke.*) What is intended in future with regard to the inclusion of repair work in the Manufacturing Balance Sheets?—In the same letter the Treasury were informed that it was not proposed to show the cost of repairs in those returns, which are confined to articles manufactured, and their proper place would appear to be in the summarised Balance Sheet,

Chairman—continued.

should it be decided to incur the expense of preparing that return.

1502. (To Mr. *Mills.*) Are you able to distinguish between money spent upon repairs and money spent upon the manufacture of new articles?—Not at present. The Comptroller and Auditor General gives here very important reasons for keeping those two sets of transactions distinct. The system of their being merged as they are at present would be quite capable of lending itself to irregularities.

1503. (To Mr. *Yorke.*) Would it be very difficult to do what the Comptroller and Auditor General suggests?—It would not be at all difficult, only it would necessitate an increase in the staff.

1504. And therefore, of course, an increase of expense?—And consequently an increase of expense.

1505. You hold, as I understand, that the expense would exceed the advantage?—That is the view of the Admiralty.

Mr. *Jackson.*

1506. Do you know at all what the repair operations represent in value?—I cannot tell you for certain; but they would not exceed 7,000 *l.*

Victualling Yard Manufacturing Accounts.

Irregularities in Detail in 1889–90.

Mr. *Arthur O'Connor.*

1507. (To Mr. *Mills.*) Under paragraph 7 the Comptroller and Auditor General says: "Considering how comparatively small a portion of Vote 2 expenditure is brought to account for review in the statements now presented to Parliament, greater exactness seems desirable." I do not quite know what that means. I should like the Comptroller and Auditor General to explain what he means when he speaks of a comparatively small portion of Vote 2 being brought to account for review. Has not Parliament full and complete detailed information with regard to Vote 2?—Vote 2 is a very large Vote, and the part of it that is concerned in the Manufacturing Accounts, which are now under the notice of the Committee, is a very small portion of it. (Mr. *Bromley.*) In the Report of last year we gave the comparative figures. This Account deals only with the manufacturing portion of Vote 2; that is to say, the manufacture of biscuit and flour, and so on; and the amount involved is extremely small. I can give you the figures for last year. We said in paragraph 5 of the Report of last year, "The Accounts now submitted for audit cover an expenditure out of Vote 2 to the extent of 79,500 *l.*, while the total sum expended by the Admiralty for 'Victualling and Clothing for the Navy' in the year 1888–89 was 1,201,974 *l.*"

1508. I am concerned at the balance which apparently, at any rate by implication, seems from these words of the Comptroller and Auditor General not to be brought under review in the statements at present submitted to Parliament?—That is in the form of Expense Accounts, as in the case of the Dockyard Expense Accounts.

1509. Why is that?—Because it is decided that it is not worth while to extend the Victualling Accounts in the form of Expense Accounts. You have that question of a modified extension of the scope of the Accounts referred to in paragraph 6 of the Report of this year. The Comptroller and Auditor General was inclined to think that the scope of the Accounts might be extended with advantage and at comparatively little cost; but other views prevailed.

1510. When you say that other views prevailed, do you mean at the Treasury?—(Mr. *Yorke.*) At the Admiralty. The Admiralty are not prepared to recommend that course to the Treasury. The Treasury has not yet had an opportunity of considering the question, I believe. (Mr. *Ryder.*) The Treasury has not yet arrived at a conclusion upon the Admiralty letter. They hesitate to direct steps which would cause a very considerable expense, and which are not recommended by the Admiralty; but the point has still to be decided by the Treasury.

1511. I suppose between this and next year, some decision will be arrived at?—I hope so.

1512. (To Mr. *Bromley.*) Perhaps the Comptroller and Auditor General will let the Committee know what his decision is?—Quite so.

Valuation of Stock at 31st March 1890.

Chairman.

1513. (To Mr. *Yorke.*) Ought not the value of stores in transit to be treated as part of the Stock Valuation total?—It should have been treated as such, and directions to that effect were sent to the Victualling Yards; but unfortunately they were not received in time for that to be done.

1514. Then was this really an oversight?—I cannot say that it was an oversight, because we took some little time arranging how the thing should be done; but my letter did not get out in sufficient time. That will not occur again.

Mr. *Arthur O'Connor.*

1515. (To Mr. *Bromley.*) The Comptroller and Auditor General says in this paragraph: "Numerous errors of calculation have been found in the details of the Valuation of Stock which, at the 31st March 1890, was stated in the Navy Appropriation Account to be 683,228 *l.*;" might I ask what is the nature of those errors of calculation?—Wrong rate-book values were assigned to articles and wrong computations made.

1516. Were the errors merely arithmetical?—Arithmetical and clerical.

1517. They were not errors of estimate?—No.

1518. Had depreciation nothing to do with it?—Nothing in this case. Indeed, obsolete stores are not included in the Stock Valuation, as you will perceive.

Inadequacy of Explanations with regard to Differences in Manufacturing Results.

Chairman.

1519. (To Mr. *Mills.*) Has any further information reached you with regard to the differences under "Labour," "Special Supervision," &c.?—The Comptroller and Auditor General has received a reply, but he is not altogether satisfied with it.

1520. The matter will be under the considera- between now and the meeting of the Committee next year?—Yes.

[The Witnesses withdrew.

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APPENDIX.

APPENDIX, No. 1.

PAPER handed in by Mr. *A J. Durston.*

(A.)

STATEMENT of MONTHLY PAYMENTS made by BILL during the Year 1890–91, for PROPELLING and AUXILIARY MACHINERY chargeable to Vote 8, Section 3.

	Month.	Vote 8, Section 3.	
		Propelling. Sub-Head A.	Auxiliary. Sub-Head B.
		£.	£.
1890	April	10,805	703
	May	47,594	838
	June	43,206	—
	July	24,787	1,056
	August	47,232	1,363
	September	69,796	653
	October	55,694	2,743
	November	93,654	2,035
	December	40,017	1,290
1891	January	83,968	3,008
	February	100,393	725
	March	165,185	10,620
	TOTAL £.	782,331	25,034

(B.)

STATEMENT of the Amounts Earned per MONTH during the Year 1890–91, for which CERTIFICATES have been provided, or which have been passed on for Payment under Vote 8, Section 3, Sub-Heads A. and B.

	Month.	Vote 8, Section 3.	
		Propelling. Sub-Head A.	Auxiliary. Sub-Head B.
		£.	£.
1890	April	32,285	830
	May	32,620	713
	June	37,290	71
	July	52,146	1,119
	August	43,882	1,283
	September	61,124	1,134
	October	69,322	1,988
	November	102,362	2,145
	December	34,102	3,015
1891	January	101,764	1,812
	February	93,967	2,007
	March	121,438	9,356
	TOTAL £.	782,302	25,473

APPENDIX, No. 2.

PAPER handed in by Mr. *George D. Ramsay*, the Director of Clothing.

THE explanation of the disagreement between the amount (219,485 *l.* 3 *s.* 5 *d.*) taken up in the Balance Sheet on account of materials issued to the Factory, and the amount (212,472 *l.* 4 *s.* 11 *d.*) shown by the Appropriation Account, is this :—

The smaller amount, *i.e.*, the 212,472 *l.* only represents the value of material issued between the 1st April 1889 and the 31st March 1890, and does not include any portion of the material which remained in the hands of the Factory on the 1st April 1889 out of the issues of the preceding year, while the 219,485 *l.* taken up in the Balance Sheet represents the value of all the material consumed during the year, as shown by the conversion vouchers.

In future the figures of the Appropriation Account will be taken up in the Balance Sheet, and any variation therefrom, arising from the above or other causes, duly shown on the face of the Account.

George D. Ramsay,
Director of Clothing.

Army Clothing Department, 11 May 1891.

APPENDIX, No. 3.

PAPER handed in by Mr. *H. R. Yorke*.

MEMORANDUM referring to Report of Comptroller and Auditor General on Store Accounts of the Navy, p. 162, par. 7.

THE regulations that unserviceable provisions and victualling stores shall be sold by public auction are departed from in cases where it is unadvisable to keep the stores in the yard longer than necessary, and when they are not of sufficient quantity to make it advisable to hold a public auction.

The biscuit in question was of small amount and badly infested with weevils, and the Paymaster did right in disposing of if at the earliest opportunity ; the offer which was accepted was received in reply to advertisement in the daily papers.

The Paymaster should not have allowed the stores to leave the yard until they had been paid for, and has been so informed. Considering the small amount involved, and the fact that he is an officer of high character for attention to his duties, the Admiralty considered the case would be met by a reprimand, which was administered to him.

H. R. Yorke,
Director of Victualling

8 May 1891.

I N D E X.

[*N.B.*—In this Index the Figures following the Name of the Witnesses, and those in the Analysis of Evidence of each Witness, refer to the Questions in the Evidence; and the Figures following *App.* to the Pages in the Appendices; and the Numerals following *1st Rep.*, *2nd Rep.*, &c. to the Pages in the several Reports and in the Proceedings of the Committee.]

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REPORT

FROM THE

SELECT COMMITTEE

ON THE

BRINE PUMPING (COMPENSATION FOR SUBSIDENCE) BILL;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

AND

MINUTES OF EVIDENCE.

Ordered, by The House of Commons, *to be Printed,*
28 *April* 1891.

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Ordered,—[*Tuesday*, 17*th February* 1891]:—THAT the Brine Pumping (Compensation for Subsidence) Bill be read a second time, and committed to a Select Committee of Seven Members, Four to be nominated by the House, and Three by the Committee of Selection.

THAT all Petitions against the Bill, presented three clear days before the meeting of the Committee, be referred to the Committee; that the Petitioners praying to be heard by themselves, their Counsel, or Agents, be heard against the Bill, and Counsel heard in support of the Bill.

THAT the Committee have power to send for Persons, Papers, and Records.

THAT Three be the Quorum of the Committee.

Committee nominated of—

Mr. Gainsford Bruce.
Colonel Hill.
Mr. Lyell.
Mr. Mather.

Nominated by the House.
[*Wednesday*, 11*th March* 1891].

Mr. Crossley.
Mr. John Gathorne-Hardy.
Mr. Story-Maskelyne.

Added by the Committee of Selection.
[*Friday*, 13*th March* 1891].

Ordered,—[*Tuesday*, 7*th April* 1891]:—THAT Mr. Crossley be discharged from further attendance, and that Mr. Leake be added to the Committee.

Ordered,—[*Monday*, 13*th April* 1891]:—THAT the parties appearing before the Select Committee on the Brine Pumping (Compensation for Subsidence) Bill have leave to print the Minutes of the Evidence taken before the Committee, day by day, from the Committee Clerk's Copy if they think fit.

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REPORT.

THE SELECT COMMITTEE to whom the BRINE PUMPING (COMPENSATION FOR SUBSIDENCE) BILL was referred, have considered the said Bill, and taken Evidence thereon, which they have agreed to report to the House, and have gone through the Bill and made Amendments thereunto.

28 *April* 1891.

PROCEEDINGS OF THE COMMITTEE.

Friday, 20*th March* 1891.

MEMBERS PRESENT:

Mr. John Gathorne-Hardy.	Colonel Hill.
Mr. Story-Maskelyne.	Mr. Lyell.
Mr. Mather.	

Mr. JOHN GATHORNE-HARDY was called to the Chair.

The Committee deliberated.

[Adjourned till Monday, 13th April.

Monday, 13*th April* 1891.

MEMBERS PRESENT:

Mr. JOHN GATHORNE-HARDY in the Chair.

Colonel Hill.	Mr. Mather.
Mr. Lyell.	Mr. Leake.
Mr. Story-Maskelyne.	Mr. Gainsford Bruce.

Preamble read the first time.

Counsel for the Bill:—Mr. *J. H. Balfour Browne*, Q.C., Mr. *F. Marshall*, and Mr. *G. A. R. FitzGerald*.

Agents for the Bill:—Messrs. *Taylor, Hoare, & Box*.

Ten Petitions against the Bill were read:

1. Local Board for the District of Winsford:

   Counsel:—Mr. *G. M. Freeman* and Mr. *F. H. Mellor*.

   Agents:—Messrs. *Busk & Co*.

2. County Council of Chester:

   Counsel:—Reserved.

   Agents:—Messrs. *Martin & Leslie*.

3. Shropshire Union Railways and Canal Company:

   Counsel:—Reserved.

   Agents:—Messrs. *Martin & Leslie*.

4. Cheshire Lines Committee:

   Counsel:—Reserved.

   Agents:—Messrs. *Wyatt & Co*.

5. London and North Western Railway Company:

   Counsel:—Mr. *Pope*, Q.C., Mr. *Littler*, Q.C., and Mr. *Bolton*.

   Agents:—Messrs. *C. H. Mason*.

6. Trustees of the River Weaver Navigation:

   Counsel:—Mr. *Pember*, Q.C.

   Agents:—Messrs. *Dyson & Co*.

7. Salt

7. Salt Union, Limited:

Counsel:—Mr. *Pember*, Q.C.; and Mr. *Lloyd*.

Agents:—Messrs. *Rees & Frere*.

8. Messrs. Brunner, Mond, & Co,, Limited:

Counsel:—Mr. *U. R. Kennedy*, Q.C., and Mr. *J. D. FitzGerald*,

Agents:—Messrs. *Sharpe & Co.*

9, Northwich Gas Company:

Counsel:—Mr. *Pembroke Stephens*, Q.C.

Agents:—Messrs. *Taylor, Hoare, & Box.*

10. Northwich Local Board:

Counsel:—Mr. *Pembroke Stephens*, Q.C.

Agents:—Messrs. *Charles G. Baker.*

The Committee decided to take Evidence upon oath.

Mr. *Balfour Browne*, Q.C., opened the case in proof of the Preamble.

Mr. *Lionel Bury Wells* was sworn, and examined.

[Adjourned till To-morrow, at Twelve o'clock.

Tuesday, 14*th April* 1891.

MEMBERS PRESENT:

Mr. JOHN GATHORNE-HARDY in the Chair.

Mr. Story-Maskelyne.	Mr. Lyell.
Mr. Mather.	Mr. Gainsford Bruce.
Mr. Leake.	Colonel Hill.

Mr. *Lionel Bury Wells* was further examined.

Mr. *Thomas Ward*, Professor *Boyd Dawkins*, and Mr. *William Topley*, F.R.S., were sworn, and examined.

[Adjourned till To-morrow, at Twelve o'clock.

Wednesday, 15*th April* 1891.

MEMBERS PRESENT:

Mr. JOHN GATHORNE-HARDY in the Chair.

Mr. Lyell.	Colonel Hill.
Mr. Mather.	Mr. Story-Maskelyne.
Mr. Leake.	Mr. Gainsford Bruce.

Mr. *James Cowley*, Mr. *Richard Beckett*, and Mr. *John Aldersey Davenport*, were sworn, and examined.

Mr. *Pember*, Q.C., was heard in support of the Petition of the Salt Union, Limited, against the Bill.

Preamble *postponed.*

[Adjourned till Tuesday next, at Twelve o'clock.

Tuesday, 21st April 1891.

MEMBERS PRESENT:

Mr. JOHN GATHORNE-HARDY in the Chair.

Mr. Lyell.	Mr. Leake.
Mr. Mather.	Mr. Gainsford Bruce.
Colonel Hill.	Mr. Story-Maskelyne.

Mr. *Littler*, Q.C., was heard in support of the Petition of the London and North Western Railway Company against the Bill.

Mr. *U. R. Kennedy*, Q.C., was heard in support of the Petition of Messrs. Brunner, Mond, and Company against the Bill.

Mr. *G. M. Freeman* addressed the Committee in support of the Petition of the Winsford Local Board against the Bill.

Mr. *F. Marshall* was heard on behalf of the Promoters of the Bill.

Room cleared. Committee deliberated.

Clauses 1—41, *postponed.*

Clause 42.—Amendment proposed, in line 4, to leave out all the words after the word "entitle," to the word "or" in line 5—(Colonel *Hill*).—Question put, That the words proposed to be left out stand part of the Clause.—The Committee divided:

Ayes, 3.	Noes, 3,
Mr. Mather.	Mr. Leake.
Mr. Story-Maskelyne.	Mr. Lyell.
Mr. Gainsford Bruce.	Colonel Hill.

Whereupon the *Chairman* declared himself with the *Ayes.*

Parties called in, and informed of the decision of the Committee.

Postponed Clauses considered.

Clauses 1—5, *agreed to.*

Mr. *U. R. Kennedy*, Q.C., was heard on Clause 6 of the Bill in support of the Petition of Messrs. Brunner, Mond and Company, and in support of a Clause proposed to be inserted in the Bill in place of the said Clause.

Mr. *G. M. Freeman* was heard in support of the Petition of the Winsford Local Board, and in support of the proposed Clause.

Mr. *Lloyd* was heard in support of the Petition of the Salt Union, Limited, against the Bill, and in support of the proposed Clause.

Mr. *F. Marshall* was heard on behalf of the Promoters of the Bill, and against the proposed Clause.

Mr. *U. R. Kennedy*, Q.C., was heard in reply.

Clause 6, *disagreed to.* Postponed Clause added instead thereof.

Clause 7, *disagreed to.* An amended Clause added.

Clause 8, amended, and *agreed to.*

Clause 9, *agreed to.*

Clause 10, amended, and *agreed to.*

Clauses 11—16, *agreed to.*

Clause 17, *agreed to.*

Clauses 18—19, *agreed to.*

Clause 20, amended, and *agreed to.*

The Committee proceeded to the consideration of Clause 42.

Mr. *Bolton* was heard in support of the Petition of the Shropshire Union Railways and Canal Company against the Clause.

Mr. *Pembroke Stephens*, Q.C., was heard in support of the Petition of the Northwich Gas Company against the Clause.

[Adjourned till To-morrow, at Twelve o'clock.

Wednesday, 22*nd April* 1891.

MEMBERS PRESENT:

Mr. JOHN GATHORNE-HARDY in the Chair.

Mr. Lyell.	Mr. Leake.
Mr. Mather.	Mr. Story-Maskelyne.
Mr. Gainsford Bruce.	

Clause 42, further considered.

Mr. *G. M. Freeman* was heard in support of the Petition of the Winsford Local Board against the Clause.

Mr. *F. Marshall* was heard on behalf of the Promoters of the Bill.

Mr. *Lancaster* was heard in support of the Petition of the County Council of Cheshire against the Clause.

Mr. *Lloyd* was heard in support of the Petition of the Salt Union against the Clause.

Mr. *Pembroke Stephens*, Q.C., was heard in support of the Petition of the Northwich Gas Company against the Clause.

Room cleared. Committee deliberated.

Amendment proposed, in line 5, after the word "company," to insert the words "any gas or water company, any county council or municipal corporation, any sanitary authority or local board"—(Mr. *Lyell*).—Amendment proposed to the proposed Amendment after the word "board" to add the words "except rural authorities"—(Mr. *Story-Maskelyne*).—Question proposed, That those words be there added.—The Committee divided:

Aye, 1.	Noes, 4.
Mr. Story-Maskelyne.	Mr. Leake.
	Mr. Mather.
	Mr. Lyell.
	Mr. Gainsford Bruce.

Proposed words added.

Parties called in, and informed of the decision of the Committee.

Mr. *John M. Fells* was sworn, and examined.

Clause amended, and *agreed to.*

Clause 21 *disagreed to.* New Clause added instead thereof.

Clause 22 *disagreed to.* New Clause added instead thereof.

Clause 23, amended, and *agreed to.*

Clause 24, *agreed to.*

Clauses 25—33, amended, and *agreed to.*

Clause 34, *agreed to.*

Clause 35, amended, and *agreed to.*

Clause 36, *agreed to.*

Clause 40, *postponed.*

[Adjourned till To-morrow, at Twelve o'clock.

Thursday, 23*rd April* 1891.

MEMBERS PRESENT:

Mr. JOHN GATHORNE-HARDY in the Chair.

Mr. Mather.	Mr. Lyell.
Colonel Hill.	Mr. Leake.
Mr. Gainsford Bruce.	Mr. Story-Maskelyne.

Clauses 36—39, *agreed to.*

Postponed Clause 40, *disagreed to.*

Clause 41, amended, and *agreed to.*

Clause 42, *disagreed to.* New Clause added.

Clause 43, *agreed to.*

New Clause, "Distance to which brine may be conveyed," brought up, and read the first time.

Question proposed, That the Clause be read a second time:

Mr. *Pembroke Stephens*, Q.C., for the Northwich Local Board, was heard in support of the new Clause.

Mr. *G. M. Freeman*, for the Winsford Local Board, was heard in support of the new Clause.

Mr. *U. R. Kennedy*, Q.C., for Messrs. Brunner, Mond & Co., was heard against the new Clause.

Room cleared. The Committee deliberated.

Question, That the Clause be read a second time,—put, and negatived.

Parties called in, and informed of the decision of the Committee.

New Clause, "Provisions as to Joseph Verdin's Trust," added.

New Clause, "Costs of Act," brought up, and read the first time.

Question, That the Clause, be read a second time,—put, and *agreed to.*

Clause added.

Schedule *agreed to.*

[Adjourned till Tuesday, at Twelve o'clock.

Tuesday, 28th April 1891.

MEMBERS PRESENT:

Mr. JOHN GATHORNE-HARDY in the Chair.

Mr. Story-Maskelyne.	Mr. Mather.
Mr. Leake.	Mr. Lyell.

Preamble read a second time, amended, and *agreed to.*

Ordered, To Report the Bill, as amended, together with the Minutes of Evidence, to the House.

MINUTES OF EVIDENCE.

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MINUTES OF EVIDENCE.

Monday, 13*th April* 1891.

MEMBERS PRESENT:

Mr. Gainsford Bruce.
Mr. Gathorne-Hardy.
Colonel Hill.
Mr. Leake.
Mr. Lyell.
Mr. Mather.
Mr. Story-Maskelyne.

THE HONOURABLE JOHN GATHORNE-HARDY, IN THE CHAIR.

Mr. *Balfour Browne*, Q.C., Mr. *F. Marshall*, and Mr. *G. A. R. FitzGerald* appeared as Counsel on behalf of the Promoters of the Bill.

Messrs. *Taylor, Hoare, and Box* appeared as Agents.

The following Petitions against the Bill were read:

The Petition of the Local Board for the District of Winsford:

Mr. *Freeman* and Mr. *F. H. Mellor* appeared as Counsel in support of the Petition.

Messrs. *Busk and Company* appeared as Agents.

The Petition of the County Council of Chester:

Counsel reserved.

Messrs. *Martin and Leslie* appeared as Agents.

The Petition of the Shropshire Union Railways and Canal Company:

Counsel reserved.

Messrs. *Martin and Leslie* appeared as Agents.

The Petition of the Cheshire Lines Committee:

Counsel reserved.

Messrs. *Wyatt and Company* appeared as Agents.

The Petition of the London and North Western Railway Company:

Mr. *Pope*, Q.C., Mr. *Littler*, C.B., Q.C., and Mr. *Bolton* appeared as Counsel in support of the Petition.

Mr. *C. H. Mason* appeared as Agent.

The Petition of the Trustees of the River Weaver Navigation:

Counsel reserved.

Messrs. *Dyson and Company* appeared as Agents.

The Petition of the Salt Union, Limited:

Mr. *Pember*, Q.C., and Mr. *Lloyd* appeared as Counsel in support of the Petition.

Messrs. *Rees and Frere* appeared as Agents.

The Petition of Messrs. Brunner, Mond and Company, Limited:

Mr. *W. R. Kennedy*, Q.C., and Mr. *J. D. FitzGerald* appeared as Counsel in support of the Petition.

Messrs. *Sharpe and Company* appeared as Agents.

The Petition of the Northwich Gas Company:

Mr. *Pembroke Stephens*, Q.C., appeared as Counsel in support of the Petition.

Messrs. *Taylor, Hoare, and Box* appeared as Agents.

The Petition of the Northwich Local Board:

Mr. *Pembroke Stephens*, Q.C., appeared as Counsel in support of the Petition.

Mr. *Charles E. Baker* appeared as Agent.

Mr. *Balfour Browne* was heard to open the case on behalf of the Promoters of the Bill.

Mr. LIONEL BURY WELLS, sworn; Examined by Mr. *Marshall*.

1. YOU are, I believe, a member of the Institution of Civil Engineers, and you have resided in Cheshire during the last 18 years?—I have resided in Cheshire 18 years, not the last 18.

2. You are not residing in Cheshire at the present time?—Not at the present time.

3. You were, I believe, residing in Runcorn as resident engineer for the bridge over the River Mersey for a period of seven years?—Yes.

4. And at Northwich for a period of 11 years, and during the greater part of that time you were engineer for the River Weaver?—Yes, for 10 years.

5. And the remainder of the period as consulting engineer?—Yes.

6. Both before and after the period I refer to, you have, I believe, frequently visited the district?—Since I left the Weaver in 1887.

Mr. *Marshall*—continued.

7. And the house which you occupied at Northwich and also the office were, I believe, in very close proximity to the subsiding district?—Yes, just on the fringe of it.

8. For that reason you had, of course, the necessity to observe it constantly?—Yes.

9. Now a few figures, if you please, before you go to matters referring to Droitwich and Cheshire, and other places, in regard to fully saturated brine; what percentage of salt is fully saturated brine?—Somewhat over 27 per cent.; a trifle over 27 per cent.

Mr. *Lyell.*

10. By weight?—Yes.

Mr. *Pember.*] There is no serious quarrel about that, I think; it is somewhere about that; it may be 25, 26, or 27 per cent., but that is about it.

Witness.] It is fully saturated at 27·27, I think, and then it will take up no more at all.

Mr. *Marshall.*

11. As to the weight of salt, I think there was a little inaccuracy made by my learned friend, Mr. Balfour Browne, in opening. A cubic yard of rock salt weighs how much?—Thirty-two cwt.; and therefore it will be five-eights of a cubic yard to a ton.

12. In reference to the output of salt in the various districts the figures given, I think, at the outset were the figures which you extracted from the Blue Book of last year?—Yes, they are the latest statistics available from the Parliamentary Blue Book.

Mr. *Gainsford Bruce.*

13. Of last year?—Of 1889; that is the latest that has been published.

Mr. *Marshall.*] They were published last year for 1889, I think.

Mr. *Pember.*

14. Productions of salt?—Of mines and minerals.

Mr. *Marshall.*] White salt in Cheshire, 1,785,000, they were given by my learned friend Mr. Balfour Browne.

Mr. *Pember.*] You need not go over them.

Mr. *Marshall.*

15. The calculation which my learned friend Mr. Balfour Browne also gave, I think, as to the quantity which would be represented by the 1,785,000 tons, was yours, namely, that they represent a cutting of 5¾ miles long, 100 feet wide, and 10 feet deep?—That is so.

16. You have, I believe, visited, in connection with this inquiry, all the salt districts in England?—Yes, I have.

17. You went to Droitwich, I believe, on the 3rd March?—Yes, and again last week. I went on the 3rd March to see what information it was desirable to produce, if I could, in the way of plans and sections; and I went last week to verify the work which had been done.

Mr. *Marshall*—continued.

18. You met Mr. Charles Headon there, who is, I believe, the borough surveyor of Droitwich?—He was the borough surveyor of Droitwich for nine or ten years; he is not so now.

19. Have you plans there showing the area around Droitwich?—The plan I should like to refer to in the first instance is the one on the wall.

Mr. *Mather.*

20. Do you mean Droitwich or Nantwich?

Mr. *Marshall*] Droitwich, in Worcestershire.

Witness.] This is the town of Droitwich (*pointing to a map on the wall*). This red colour shows the sinking area so far as it has been traced. I do not guarantee that it does not extend somewhat further, but the surveyor will confirm this plan, if it is thought necessary. I have been along *this* ground and along *here*; to the best of my belief that sinks.

Mr. *Marshall.*

21. Then the green remains; what does it represent?—The green represents salt works or places where brine is pumped. *This* is Droitwich and *this* is Stoke Prior, where there are some large works. And the bulk of the salt now is made at Stoke Prior; some 10 years ago it was about equally divided between Droitwich and Stoke Prior.

22. The distance between the two is how much?—It is four miles; a little more as the brine runs, but as the crow flies it is about four miles.

23. Did you find evidences of sinking in the town of Droitwich?—Yes. I have got an enlarged plan of that, and also a section of the main street.

24. It will be desirable, perhaps, to show them to the Committee?—In all the plans that have been prepared, certain symbols have been employed; I think you have it.

25. I have a copy of it, if you will kindly hand it to the Committee. (*The Witness produced the enlarged plan and the symbols and explained them to the Committee.*)

Witness.] This is a plan of the town of Droitwich, the chief part of it, where sinking takes place in the main and where the salt works are situated; it is to the one in 500 Ordnance Scale, and the plan was made from the survey in 1883. The green colour denotes salt works or brine pumping.

Mr. *Pember.*] Would you allow me to come over to the table, Sir, I shall have to make some notes of this?

Chairman.] Certainly. (*Mr. Pember came to the Committee Table while the Witness explained the plan.*)

Mr. *Lyell.*

26. This is the area belonging to a particular company?—Yes.

27. Those

Mr. *Marshall.*

27. Those which are marked with light red are works of the Salt Union?—Those that have the stripes of light red across them all belong to the Salt Union.

Colonel *Hill.*

28. But the subsidence is only where red is shown?—Yes.

Chairman.

29. Is it worse where it is darker?—Yes; and the yellow denotes the houses on which a considerable amount of money has been spent during the last 11 years.

30. In repairs?—Yes, in repairs. Where it is etched in black the houses have been pulled down and rebuilt; and where there are certain ciphers, as shown in some of these houses, the sites have been abandoned altogether.

Mr. *Marshall.*

31. In the cases of houses which have been rebuilt, are there any signs of subsidence since the rebuilding?—Certainly; these ciphers (*pointing out the same*) show sites that are empty now at any rate.

Colonel *Hill.*

32. Those lines you mean?—No, the round as well as the lines; it is not brought out as fully as I could wish.

33. It is unoccupied land in consequence of subsidence?—They have been pulled down, and nothing has taken their place.

Mr. *Leake.*

34. What is the orange colour?—The salt works that cover the whole of the space. I mean the green is the works.

Mr. *Pember.*

35. Then there is no green *there* (*pointing to the plan*)?—This is green underneath; it is supposed to be green; and those are your works marked orange.

Mr. *Mather.*

36. Practically the whole of the district is salt works?—Practically it is so. Those are new works started up by new people.

Colonel *Hill.*

37. Is the green where the salt is made and the pumping goes on?—Yes; *these* marks show the pumps themselves (*pointing out the same*).

Mr. *Pember.*

38. Are there pumps at Droitwich?—Certainly.

Mr. *Gainsford Bruce.*

39. How do you determine the area or boundary of those green patches?—This is the Ordnance Survey, and the surveyor knows that the property belongs to the Union. I have, of course, taken them from him; he will be here.

Mr. *Marshall.*

40. There is a bridge marked there; does that show any signs of having gone down?—That has been rebuilt of late years; it had to be pulled down some years ago; within the last eight or ten years. That is the county bridge.

Mr. *Mather.*

41. Was that injured by the pumping?—Yes.

Mr. *Marshall.*

42. Through the subsidence?—Yes.

43. As to the new bridge, does that seem to have altered its position?—No, I do not think there is much wrong with the bridge at present.

44. Do you know whether the drainage of the town has been interfered with?—It has been interfered with very materially. I was told that in the High-street of Droitwich formerly the water spread from about the centre east and west. Now there is a dip in the hollow here. I have got a section which will show that. This section (*producing the same*) was taken in the first instance in 1880, when Mr. Headon went to Droitwich. *That* was the line; it is drawn to the natural scale, there is no exaggeration whatever in the matter; the blue was the surface in 1880. Then he had occasion to take another section in 1886; that is represented by the red. And the other day I took this section for the purpose of this inquiry.

Mr. *Mather.*

45. What is greatest depth of the subsidence?—About five feet; and it extends laterally as well as vertically. Some part which was not subsiding in 1886 we find has sunk in 1891.

Mr. *Marshall.*

46. With regard to churches; I think you noticed them particularly, the two parish churches?—Yes, they have had to be closed and strengthened. The one in the town, St. Andrew's, was closed for 18 months, and a very considerable amount of money was spent on it; and the other one, St. Augustine's, has also been closed within the last six months.

47. Between the town of Droitwich and Stoke Prior, where a considerable part of the salt works are, did you see strong evidences of the brine run?—Yes.

48. What were those?—At West Ford House I found bolts, cracks in the first instance I should say, and the walls were bolted together much in the same way as we are accustomed to bolt them at Northwich and Winsford; and just outside the gates there was a fall and quite a number of square yards of courtlets had been raised.

Mr. *Pember.*] I do not know whether my learned friend cares to follow this; he is entitled to do it if he pleases; but so far as I am concerned I do not dispute for one moment that there are very large subsidences in a great many places, including Droitwich. If it suits my learned friend to go into the details for purposes of his own I do not object; but so far as any cross-examination goes it is waste of time; I do not mean to cross-examine as to the fact.

Mr. *Balfour Browne.*] A good deal may turn hereafter upon the exact site of these subsidences. Of course we will not prove them over and over again, but to get them from one witness is necessary.

Chairman.] I think the Committee have no desire to shorten the evidence where it is necessary,

necessary, but a good many of these circumstances are pretty well before us, and will certainly appear before us again later on.

Mr. *Balfour Browne.*] If we have them now it will be convenient I think.

Chairman.] I think if no more minute investigations are gone into than are necessary the Committee will be pleased.

Mr. *Marshall.*

49. This circumstance is a somewhat important one and will lead to further evidence. (*To the Witness.*) With regard to this water in Droitwich so far as you could ascertain where did the water get in?—There is no doubt about it. (I think I had better come to *this* plan) that a great deal of water gets in here (*pointing to another place.*). There is a river you have not mentioned, the River Salwarp, that flows through Droitwich over the part which has sunk most.

50. Kindly point out where the brine run is that you refer to?—I will trace it. It is this red part (*pointing out the same*) where the ground has sunk to a very considerable extent, some of it, and broken up into cracks, so that sheep get into these cracks; and there are springs there in the marl, there were at least, and the water supplied to the town of Droitwich was drawn within 10 years from those springs; that is to say, the works have been constructed within 10 years.

51. In which direction does it go from there?—Those springs have absolutely disappeared now from the surface, and instead of getting 100,000 gallons a day from within 21 feet of the surface, they have gone down 50 feet and they only get 30,000 gallons a day now. The water has disappeared as a surface water, and does not come to the pumps as it did; and I think it is a fair inference that it finds its way to the pumps at Droitwich and at Stoke Prior.

52. Between Droitwich and Stoke Prior along the line marked red are there any evidences of the brine run?—There are at various places along that line; in some grass fields you can see a break in the turf, and in the cross roads you can see a break in the road just as you see in a sewer which is being cut at some time and filled up and not evaporated.

53. And it is at Stoke Prior that the chief of the pumping operations are going on?—Yes, at the present time by far the greatest amount of brine is pumped at Stoke Prior.

Chairman.

54. How deep is the salt there at the point from which they pump it?—It is under 200 feet at Droitwich, and a little deeper somewhat at Stoke Prior.

Mr. *Lyell.*

55. Is this brine run that you speak of an underground stream of brine?—I take it to be so.

56. Following the course of that red line?—Following the course of that red line.

Mr. *Marshall.*

57. About what width is the red line supposed to represent?—On the road in Brickhill Park, on the top of the hill between the two

Mr. *Marshall*—continued.

places it measured 29 feet from the break on one side to the break on the other.

58. Could you form any opinion as to how far it was from the surface to the brine run?—No.

59. Do I gather that there, there were no evidences at all of any similar breakages of the surface beyond Stoke Prior?—I did not go beyond Stoke Prior; but I heard of nothing.

60. Then we have subsidences at Droitwich, a brine run traceable from there to Stoke Prior, and at Stoke Prior the chief of the pumping operations going on?—That is so.

61. There is a place that may be worth inquiry, called Brickhill, near there?—That is where I pointed, stating that the springs went under it.

62. It might be just worth taking this, about 50 years ago, I believe, the output of salt at Droitwich was only about 45,000 tons a year?—Yes.

63. At the present time it is 220,000 or 218,000?—Yes; and it has been as much as between 250,000 and 260,000, according to the prospectus of the Salt Union.

Mr. *Pember.*] It has multiplied four times in 50 years; is that what you mean?

Mr. *Marshall.*

64. About that. (*To the Witness.*) taking the figure that you gave us before, the 218,000 tons would represent the removal of about 30 acres of rock salt a yard thick?—Yes, it would, of pure rock salt, or nearly so.

65. Then from Worcestershire you went to Staffordshire?—Yes.

66. You have a map of the brine pumping areas of Staffordshire, below the one of Worcestershire on the wall?—Yes.

67. The only two places in Staffordshire are Weston and Shirleywich, as pointed out on the map?—Yes.

68. And the produce of salt at both places together is small; it is only about 6,500 tons a year?—That is all.

69. On Stafford Common, I believe, a bore has been made for the purpose of getting water, if possible, from there?—Yes.

70. Could you form any opinion as to whether there is any considerable quantity of salt there?—They sunk this bore-hole some years ago in seach for water, and they found brine, and they gave it up as a water supply; but recently it has been taken to again by some gentlemen from Cheshire, who had an idea of the value of the salt, and further tests have been made; and I understand that the supply is very considerable, and that the quality is very good; the saturation is quite up to the mark of or over 25 per cent. of salt.

71. And there are no signs whatever of any subsidence in that neighbourhood, I believe?—None at all, neither at the old works, nor in Stafford.

Chairman.

72. How deep is the salt there?—Two hundred and seventy-three feet, I think, it is at Shirleywish.

73. Is

Mr. *Mather.*

73. Is the bore-hole near the town of Stafford?—Yes.

74. How far off?—I think it is within half-a-mile, or so; it is on the common.

Mr. *Marshall.*

75. And it is nearer than that I think to houses?—Yes.

76. Less than a quarter of a mile?—Yes.

77. Now after Staffordshire you proceeded to Cheshire?—Yes.

78. And I think you went first to Wybunbury, is that so?—Yes, I went there.

79. Some mention was made, I think, in the previous inquiry that Wybunbury Church is showing some signs of subsidence. Did you form any opinion as to the cracks that you saw in the church, as to what they proceeded from?—The church is built on a knoll, with the valley almost on three sides of it, and a steep drop down all round: it is on sand which has a good deal of water in it; and, further, the walls of the church are vaulted, on the east, south, and west sides, and also to a certain extent under the tower. In my belief the foundation there is bad from the fact that it is built on this moist sand.

80. You do not consider that it results from subsidence caused by any connection with salt?—No, I think it is impossible to suggest that with any reason.

81. From there, I think, you went to Sandbach?—Yes.

82. Where there are some of the works, the smaller chemical works, of Messrs. Brunner, Mond & Co.?—Yes. There are the Sandbach works (*pointing to the Cheshire map*), and there are also salt works there owned by the Salt Union.

83. I do not think I have your figures for Sandbach at the present time, but in 1881 the figures were given, I think, as 100,000 tons a year?—Yes. I have no means of ascertaining what they are now; but I have taken it as being for the purposes of a figure, at the same amount; because although, perhaps, the production of salt is less, Messrs. Brunnen, Mond & Co. have their alkali works there, and they pump brine.

84. Are there any symptoms of subsidence there?—Within a couple of miles there are at those places marked red.

85. That is where the London and North Western line crosses between Crewe and Manchester?—Yes.

86. To what extent is there subsidence there?—The extent it is difficult to say; the distance will be on the North Western line a mile and a quarter or a mile and a half.

87. The length of the subsidence, do you mean?—Yes, on the line of the North Western Railway.

88. Has the land gone down much, or how is that?—The land has not gone down so much as we are used to in the neighbourhood of Winsford and Northwich; but there are pools forming ridges there, cracks and so forth; but it is a trifling subsidence compared with what we are used to.

Mr. *Story-Maskelyne.*

89. Do you say that that subsidence is due to pumping close by or possibly to a more distant cause?—I cannot pretend to say; it is nearer to those works by a great many miles than it is to any others we know of. For a great number of years they have made a considerable quantity of salt at Sandbach.

90. The point of my question is, how far the subsidence corresponded to the local pumping or not?—I am afraid the means of judging there are not as good as one could wish; the ordnance bench marks are not very frequent within the line, and many of them have been destroyed.

91. There is not any symptom there of salt streams under ground?—No, I have found no trace except, as you will see, that there is a sort of trace round to the valley of Wheelock; the northernmost patch comes to within a mile or so of the pumps.

92. What is the course of the Wheelock beyond there?—The course of the Wheelock is north-west, to go to Middlewich.

93. Do not you think that the river possibly might indicate the direction of some more ancient subsidence?—I do not think so. At Droitwich it certainly does not; the sinking at Droitwich comes from a high hill, at the most southerly point, which is quite one of the highest hills in the district, with a splendid view from the top of it, then it cuts through that bluff, (*pointing out the same*). The church of St. Augustine's stands on the top of the hill 40 or 50 feet above the town, and this sinking goes through *there*, and then cuts across the valley; the river goes somewhat in that way (*pointing out the same*).

94. Do not the subsidences in Cheshire follow the direction of the Weaver at all?—They do, and they do not. This large one at Winsford, to a certain extent, does (*pointing to another map*); but, there again, the one on the north-west of the map is on the top of a hill, that hole of Marton; and, although it drops into the valley further down, it cannot be said that that, which was the first indication, so far as is known of sinking in that neighbourhood, is in any valley. And again at Billinge Green, it is quite on the top of a hill.

95. My object in asking is to know whether these subsidences are due to local pumping, or whether they are not due to general pumping all over the district?—I cannot say.

Mr. *Lyell.*

96. Are you aware of any cases in which the course of this underground water has been followed experimentally. Mr. Balfour Browne mentioned a case in which chloride of calcium had been detected about a mile off; are there any cases in which the water can be detected in its flow?—The best flow I have ever come across was one I found last week at Droitwich, which I traced as shown on that map. I could see the break in the ground as I went along; in fact, it was a sort of paper chase, as it were, looking for the scent as we went along.

Mr. *Marshall.*

97. Then returning to Sanbach, you did not see anything similar at Sanbach, or such as to enable you to identify the water?—No.

98. At Middlewich, to which I think you next proceeded, the old salt works are all in the hands of the Salt Union?—Yes; but some new works have been started.

99. And the old ones have been closed, have they not?—Yes.

100. And those new works were started?—Yes.

101. And these new works are in process of erection, but are not yet completed?—Some of them are at work.

102. I believe in the immediate neighbourhood of Middlewich there is no sinking?—No.

103. Then you went from there to Winsford?—Yes. Winsford is shown on the 6-inch Ordnance, and also to a larger scale on the 25-inch.

104. I believe that the portion which is chiefly subsiding there is in the neighbourhood of the town bridge, is it not?—It is away to the south; it extends beyond the town bridge, and for a considerable distance to the south.

Mr. *Marshall.*

105. I do not propose, Sir, to ask Mr. Wells, in detail, about this, because we have other witnesses in regard to Winsford and Droitwich. (To the *Witness.*) But, generally, you have known Winsford for years; does it present any considerable difference in aspect now with regard to subsidence from what it did some years ago?—The Flashes (that is the local term for lakes of water) have increased very largely. A certain portion of the town itself has sunk; the Town Hall, for instance, has sunk some 10 or 12 feet; and I have got sections here of sewers in Winsford in which the sinking has been very much greater than is shown in the sites of Droitwich.

Mr. *Mather.*

106. During what period has that been going on?—From 1879 up to the present date; there are sinkings there of 10 and 14 feet.

Mr. *Marshall.*

107. The Flashes, I believe, are at a considerable depth, are they not?—Yes.

108. And are used, or rather the saltmakers now, I believe, are filling them up, so far as they can, with considerable quantities of cinders and other refuse?—It is used as a tip for dredgings from the Weaver. I have put a couple of hundred thousand tons there in 10 years.

109. You have done so?—Yes.

110. Now, in regard to Marton, that is a short distance to the north-west of Winsford, I believe?—Yes.

111. Did you see the hole that was formed there some 20 years ago?—No, not 20 years ago; about 12 or 13 years ago.

112. I think my figure is nearer the mark?—The hole was formed 20 years ago; I saw it about 13 or 14 years ago.

113. In what condition is it now?—It is very much enlarged; it is about 450 feet by 400 feet.

Mr. *Marshall*—continued.

114. And filled with water?—There is water at the bottom; it has steep sides down into it; the water is many feet below the surface. The sides are so steep that one does not care to go down to measure it.

115. In the Marton Valley has there been any considerable change of late years?—Yes, a very marked change; there have been holes broken in, and water has formed. There are some photographs of that. (*The Witness produced some photographs, and handed them to the Committee, and explained the same.*)

Chairman.

116. It is very difficult to gather from these photographs; I suppose really this is cracked up all over?—That is so.

Mr. *Marshall.*

117. Have those subsidences for the most part taken place during the last 13 years?—Those in the valley have; this one (*pointing to a photograph*) commenced 20 years ago.

118. That is Marton Hole?—Yes; but all the others have taken place, I think I may safely say, within my own recollection. I went down the valley about 1879, and I think that would be the date of the first of them of any moment in that valley; that would be 12 years ago.

Mr. *Pember.*

119. May I just see the photographs?—(*The photographs were handed to the learned counsel.*)

Mr. *Marshall.*

120. Then, I think, the Winsford branch of the Cheshire Lines Railway has to some extent gone down?—Yes, very considerably. The line, which was made in cutting, in 1862 or 1863 (I have verified that from the deposited sections of the line), is now on an embankment of a good many feet in height, 25 feet, I dare say.

121. And there is a considerable area of water, I believe, both to the north and south of it?—Yes; that black patch shows it (*pointing to a map.*)

122. The line, I believe, has to be periodically raised; is not that so?—Every few weeks they have to lift their line; and they have had a watchman there for 17 years regularly employed.

123. From there I think you went to Whatcroft and Billinge, which are shown upon the plan?—Yes.

124. What is the nature of the subsidences there?—At Billinge Green it is very much the same as at Marton, except that the hole is not circular, and that instead of following the line of the river (as one honourable Member suggested), it follows the line of the canal more nearly.

125. When were those sinkings at Billinge Green and Whatcroft?—There was hardly anything when the Ordnance Survey was made in 1874; it was confined to a patch which you could cover with a shilling very nearly on that 25-inch Ordnance.

126. Since that time has it been gradually extending, or has it gone down suddenly?—It has

Mr. *Marshall*—continued.

has been gradually extending; but rapidly. Last time I was down there a flight of wild fowl got up.

127. What is about the acreage now of these subsidences?—There are 150 acres subsided of holes, or at least depressions in the land, with water in them there forming at the south of the main depression, as indicated by this dark red colour.

128. Before it began to go down I believe the land was arable, was it not?—Yes.

129. And when it begun to go down I believe they planted willows there, and started a brick-making yard?—Yes.

130. What is the condition of the willows and brickfields?—They are subsiding.

Mr. *Mather.*

131. It is a lake?—Yes.

Mr. *Lyell.*

132. Has the canal been affected?—Yes, they have great difficulty in keeping up their towing path.

133. Which canal is that?—The Trent and Mersey Canal.

Mr. *Marshall.*

134. Then I think you went to Northwich?—Yes.

135. Perhaps you will describe in your own way the condition of Northwich generally?—I think that photographs, perhaps, will give a better idea. This is a photograph of the main street of Northwich, London-road (*handing in the same*); the main entrance into Northwich, I should say. There is an important bank to be seen there, and this is the condition of things. One of these holes has fallen in, and they are at work repairing it. This photograph was taken within the last fortnight. This trench is 6 or 8 feet deep, and it is all cinders; it is being filled in from time to time to keep it above the surface of the river.

136. Those houses were, I think, three-storey houses?—They were evidently more than one storey, which they are now, because *here* is the doorway; whether that was once on the second or bottom storey I cannot say.

137. Is it a fact that they are using the bed-rooms as kitchens at the present time?—That is so.

138. Do you know whether there are any old mines underneath that part or not?—Not that I am aware of, and I think I may say certainly not, because some borings have been made to a considerable depth close to that road.

139. Then the next photograph?—This is Witton-street (*handing in another photograph*). All these angles are awry and those houses. I have got a plan.

140. Before you part with London-road, I think the road itself in London-road is timber decked, is it not?—Yes.

141. Because the road without that would be impassable?—The surveyor considered that that was the best way of maintaining the road.

142. Is the timber decking shown in the photograph?—Yes.

Mr. *Marshall*—continued.

143. Will you point it out to the Committee, if you please?—(*The Witness did so*).

Witness.] This is a map of Northwich (*producing the same, and explaining it to the Committee*), similar to the Droitwich one, showing in yellow the houses that have been rebuilt; large sums have been spent upon them within the last 14 or 15 years; at Droitwich it was within a much shorter period. These have been abandoned; there are several sheets of this map. Northwich is a town where the people own their own shops to a very great extent; there was a large sale in 1823, and the shopkeepers bought their own shops freehold.

Mr. *Lyell.*

144. That is before the great brine pumping commenced?—Yes; and these are all abandoned if you notice on this sheet.

Mr. *Mather.*

145. Has there been any increase of recent years of this subsidence or damage to the houses?—Yes; it has been very great during the last ten years.

Mr. *Marshall.*

146. On that photograph of London-road will you point out the timber decking at the bottom part of the photograph?—(*The Witness pointed out the same to the Committee*).

147. Then Witton-street, I think, you were showing?—Yes; and Tabley-street (*handing in another photograph*).

148. Then Leicester-street; I do not know whether you have that?—Yes; here it is (*producing another photograph*). Here is a dip in the street which shows where the brine run crosses the street; that cart ought to have been deeper down; you could only see the tops of the wheels; that was on an incline.

149. Leicester-street, I think, is a street of working men's houses, is it not?—It is a cottage street.

150. Occupied, I mean, by miners and others of that class?—Yes.

Mr. *Story-Maskelyne.*

151. Are they freeholders?—I do not know.

Mr. *Marshall.*

152. I do not know whether you have the bottom of Castle Hill there, where the Wheat Sheaf stood; the Wheat Sheaf, I think, is almost wholly gone?—It has gone entirely; and within a few years something like 4,000 *l.* were spent upon the house.

153. Then the police station in Castle street has now gone entirely, I think?—Yes.

154. It had to be pulled down?—Yes; and that was built within the last 15 years.

155. Was it near the Wheat Sheaf that a hole appeared some year or two ago in which one or two horses disappeared?—Yes; I should like to mention that the police station, which was built

Mr. *Marshall*—continued.

some 15 or 16 years ago, was placed upon a site which was supposed to be absolutely safe at the time; and it is now given up, and a new station is being built in the town.

156. Then near the town on one side, I believe, a large lake has been formed within a very recent period?—Yes, that large body of water (*pointing to another map at the back of the room*).

Chairman.

157. Is all that blue water?—Yes, and the black is what has sunk since the Ordnance Survey. The blue had sunk prior to 1874. There are plans here which were ordered to be produced by the Committee, which show the condition of things in the last century. Perhaps I should explain them.

Chairman.] I do not think we need go back to that.

Mr. *Mather.*

158. Have you anything before 1823?—Yes; I will just describe it shortly. Through where that large body of water is now, Brindley was employed to make a canal about 120 years ago; and up to the beginning of this century there was little or no subsidence whatever. But in 1839 the then navigation got into a bad state, and a second canal was cut from a place called Witton Mill, which was the head in those days, down to the Weaver; and in the course of time that has disappeared.

Mr. *Marshall.*

159. Then the formation of the body of water which is shown there is practically within the last how many years, 40 years?—Eighty years; there was some trace of it in 1820, but very slight.

160. The greater part of it has been within what period?—Within 50 years, I should think. Of course, the greater part of in would be more recently than that; there was some sinking 50 years ago; but it has increased with the increase in the manufacture of salt; 50 years ago the output of salt was much less than it has been of late.

161. The depth, I believe now, is considerable in some parts?—Yes, very considerable.

162. Was there, some years ago, a hill at the back of where the water is now?—Yes, where the second canal was cut. I have seen sections of that canal, and there was a hill some 30 feet high through which it was cut.

163. Has that hill now entirely disappeared?—I have put a good many feet of cinders on the top of it to keep it above the water level.

164. I do not think I will trouble you as to further details of sinking. Did you afterwards go to Fleetwood, in Lancashire?—Yes.

165. To what extent is the manufacture of salt carried on there?—They have only just commenced, but they are turning it out at the rate of between 500 and 600 tons a week at the present time. This is the map of Fleetwood (*pointing to the same*). The rock salt is found at Preesall, on the east side of the Wyre.

Mr. *Story-Maskelyne.*

166. Which way does the Wyre run?—Fleetwood is at the mouth. They put their evaporating works on the west side. This shaft was sunk into rock salt, which is found almost perfectly dry 250 feet to the rock head.

167. How many feet of salt?—250 feet of salt, roughly.

168. How much of that was workable as rock salt?—There are some very good beds indeed. I have got a section of that. I think it is the thickest bed of rock salt; they say there is a thicker one at Barrow now.

Mr. *Mather.*

169. Is it thicker than Middlesborough?—Yes.

Colonel *Hill.*

170. Has it been long known?—Since 1861; they were prospecting for hematite at the time.

Mr. *Pember.*

171. What are you saying; I do not hear?—That the rock salt was found to be practically dry 250 feet below the surface, and the salt beds 250 feet thick. Then in order to work this shaft they did not dream of mining it in the ordinary way; they wanted to get water, so they have sunk a well at this point B. *here*, and from that they get fresh water; they have bored at C. and they sunk a tube.

172. They let in the water and pump it out as brine, I suppose?—Yes.

Mr. *Marshall.*

173. How far is the point C. from the pumping engine?—About half-a-mile.

174. And between those two points there is a pipe, as I understand?—Yes. There is a diagram of it (*pointing to the same*). The fresh water goes in on the outer side, melts the salt at the bottom and forces the brine up the inside tube to the extent of five-sixths of the depth. The water flows to within five feet of the surface. The water is found in the sandstone at this place, although the Ordinance Map shows nothing of the sort within three or four miles of it.

175. Is that tube shown in the sketch which you have prepared, this sketch (*handing the sketch to the Witness*)?—Yes.

176. With the various marls and rock salt and so forth marked on it?—Yes. There is a very great peculiarity here, which is that from the shaft to the hole D. there is a connection; so that water poured into D. flows to A, and is pumped as brine, but not fully saturated; they therefore have sunk a second hole at C.; and the intention is to syphon from C. to D., then to syphon from C. to D., and to pump up at A.; for the water is used to do the excavating and the hauling, and the lifting is done by the pump.

177. I suppose there are no signs of subsidence about there at all?—No, not the slightest, although it is the thickest bed of any in England I think, proved, except at Barrow, that I do not know anything about.

Mr. *Pember.*

178. How long have they been at work?—They had not commenced to make any quantity of salt at the time of the Report in 1889, but they

Mr. *Pember*—continued.

they are making 300 and 500 tons a week at the present time.

Mr. *Marshall.*

179. So that the output is not represented by any figure in that Report?—That is so. The output has been very great up to the present time.

180. Then the lifting of the brine I understand is done by the pumps?—The lifting of the salt.

181. In the shape of brine?—Yes.

182. And then the fresh water I suppose takes its place?—Yes.

183. You afterwards went to Durham and Middlesbrough?—Yes.

184. Is the system of getting the brine pursued there the same as at Preesall or not?—Almost the same, except that there the brine wells are very deep and they go through sandstone which provides them with abundance of water.

185. How many bore holes have been made there and worked?—Between 60 and 70.

186. And the depth is how much?—It varies from 800 to about 1,500 feet.

187. And you speak now of the works on both sides of the river; are they similar?—Yes, they are similar. Under Middlesbrough the salt is found nearer the surface than on the north side of the Tees.

188. Considerably, or how much nearer?—It is the 800 feet on the Middlesbrough side; whereas on the north side it is 1,200, and in some cases 1,500 feet; and within a short distance of where they find salt, 80 and 100 feet in depth, they have sunk and found absolutely no salt at all.

189. How many companies are there there working the salt?—Eight or 10 companies.

190. And how many works are in the hands of the Salt Union?—Two.

191. How many salt pans are there altogether?—There are 128 at the present time.

192. The Salt Union I believe have 26 of those; is that so?—Yes, that is so.

192*. The remainder being in the hands of other companies?—Yes.

Mr. *Mather.*

193. What capacity have these pans?—They will turn out over a couple of thousand tons a year, I think.

Mr. *Marshall.*

194. The total output you have already given us has about 191,000 tons?—That was for 1889; but no doubt that will be increased.

195. Does the quantity raised appear to be increasing?—Yes; there are new wells being put down from week to week.

196. Did you observe any signs of subsidence there at present?—No, there is no thought of any subsidence there at the present time.

197. I believe you were present when a valuable paper was read on this subject by Sir Lothian Bell; is that so?—I have read his paper; I was not present.

198. Was he of opinion that there would be subsidence there before very long?—I do not recollect what his particular opinion was.

Mr. *Pember.*] It is going rather far afield to take another person's opinion as to what would be in the future.

Mr. *Marshall.*

199. I was about to ask him whether he agreed with the opinion if that was so?—I agree with Mr. Wall's opinion, which was expressed at that time, that it must come ultimately.

Mr. *Pember.*

200. You think it will?—Yes.

Mr. *Pember.*] That is another thing.

Mr. *Lyell.*

201. In any of these shafts at Middlesbrough is the flow of brine indicated as usual?—No. From what I have heard they increase both in quantity and quality as time goes on, because the reservoir below is enlarged, and therefore the water has more time to become saturated, and there is less opportunity of pumping it if dry, as it were.

202. Are you of opinion that the salt from these Middlesbrough shafts is derived just from the base of the shaft, and the immediately surrounding circuit?—Yes.

203. Or does it come from a distance?—No, it was dry rock to begin with, perfectly dry; and they were at a loss how to deal with it at first, until they determined to put holes in their pipe through the sandstone.

204. To put fresh water down and bring the brine up?—Yes.

Chairman.

205. Is there any difficulty in mining dry rock?—It is much more costly.

206. In fact, the tendency of the present law is to prevent people mining their own salt, but to put water in the mines of other people?—That is so.

Mr. *Mather.*

207. Are you aware that the people of Middlesbrough attempted to sink a huge shaft to get the dry salt?—I am not aware of that.

208. And that they abandoned it because it was too expensive?—I am not aware of that.

Chairman.

209. That would not apply to Preesall; there is no great depth there?—No, it is simply more economical.

210. The other is cheaper?—Yes, it is vastly cheaper.

Mr. *Lyell.*

211. Subsidence, if it occurs at Middlesbrough, will occur immediately under the shaft, and the damage, when it occurs, can be allotted with considerable accuracy to the actual pumping at that shaft; is not that so?—No, that is not so; there are some works almost in the town of Middlesbrough. This is the old plan of Middlesbrough (*pointing to the same*). Houses have increased very considerably since the survey was made, and you can judge that the land coloured green, where the salt brine pumps are, is pretty well surrounded at the present time with buildings.

Mr. *Mather.*

212. And all the pumps in this district are right in the salt rock?—Yes, they go to the bottom of the rock.

Mr. *Pember.*] I am quite ready, Sir, to ask some questions of Mr. Wells this afternoon, but I do not suppose I could finish my cross-examination; and it is no fashion of speech to say that I should be much shorter to-morrow if you would allow me to postpone my examination until then. I think you would not lose any time by doing that.

Mr. *Balfour Browne.*] If any other of my learned friends desire to cross-examine Mr. Wells perhaps they might do so now. I do not, of course, in the least object to my learned friend postponing his cross-examination, but I do want to utilise every bit of my time. I may say distinctly that, although we are not here *in formâ pauperis*, we are not the rich people fighting this that they are on the other side.

Chairman.] There is one thing I think the Committee may put before you pretty clearly with regard to this matter of subsidence. It is matter of common notoriety, and does not require to be proved to any great extent.

Mr. *Pember.*] That is what I ventured to say some time ago in the hope of saving time, that it does not lie on me to say that there have been most extensive subsidences, but there will be certain questions as to when they took place, as to whether they followed the lines of the rivers and valleys, which it may be worth while to ask. But questions as to fact I shall not dispute.

Chairman.] Then also I have to say that as regards the question, whether subsidence is caused by brine pumping or some other cause, that is a question that should be argued, if at all, very shortly; because it is absurd to put that before any man of common sense. As may be seen by the Reports of the Home Office Inspectors and so on, it is absurd to say that people can take away millions of tons of salt without causing subsidence.

Mr. *Pember.*] I should never say that you can take away many millions of tons of salt without causing subsidence; but I must be permitted to say, that I at least, am not up to now convinced of the absurdity of the proposition laid down in 1881, which I should venture with great submission to present to the Committee.

Chairman.] I hope you will not do it at any very great length. I am perfectly ready to hear any evidence that may be brought before the Committee; but I have read what I could upon the subject by means of the Reports, and so on, and it seems to me that to do it at any great length is simply waste of time.

Mr. *Pember.*] It depends entirely upon what you mean by the theory that is presented.

Chairman.] I mean the theory that the salt would naturally drain away if it were not taken away, if that were laboured at any great length. It is not for me to argue the question; but, if that were the case, Cheshire would have sunk into the depths of the seas thousands of millions of years ago.

Mr. *Pember.*] About thousands of millions of years I cannot say. But I will tell you what is worth a consideration, and what I shall call attention to, namely, that in support of the theory that the brine pumping does not count as the primary cause of subsidence, as much as the casual leading of Reports would lead you to suppose (you have to take that as the natural if somewhat casual view). The subsidences have taken place often at epochs, which render it impossible to suppose that large subsidences cannot be caused by perfectly natural causes.

Chairman.] I only express my opinion that that is one of the ways in which time can be very easily saved.

Mr. *Pember.*] But unfortunately, at the cost of an argument that I cannot altogether consent to forego.

Mr. *Balfour Browne.*] Of course, Sir, you will have to hear my learned friend's argument; but, in view of what you have said, I think we shall be able to shorten our evidence as to the actual damage done, and also upon the other point too.

Mr. *Pember.*] Actual damage I shall say nothing about.

Mr. *Marshall.*] I omitted to ask the witness, Sir, to put in a table which he had prepared with regard to the depths of various shafts.

Witness.] I cannot prove it, I am sorry to say.

Mr. *Pember.*] If my learned friend can do that by another witness it might be done now.

Mr. *Balfour Browne.*] And it would be convenient for you to have it on the Notes. Unfortunately I find that the witness who could prove it is not in the room.

Mr. *Pember.*] If you allow Mr. Wells to produce it it, and tell us who made it, then we can deal with it.

Mr. *Balfour Browne.*] Then we will put it in that way, and it will be on the Notes, and my learned friend can have the use of it.

Witness.] That table, Sir, is compiled from notes of borings at shafts which were supplied to me by Mr. Timmins.

213. Who

Mr. *Pember.*

213. Who is Mr. Timmins?—He is of the firm of Timmins of Runcorn who have done more boring in Cheshire than any other firm.

214. Did he take these borings himself?—He took some of them; that is what I cannot tell you.

Mr. *Pember.*] At all events we can take them; I daresay they will be useful.

Chairman.] Will Mr. Timmins be produced?

Mr. *Balfour Browne.*] Yes, Sir, but he is not here to-day. What I propose to do is to put the table on the Notes so that my learned friend can see it, and we will prove it afterwards.

[*The Table was handed in, and is as follows:*]

NORTHWICH DISTRICT.

	Rock Head below. (1) Ordnance datum.	Rock Head below. (2) Surface.	Depth of Salt Rock proved.	Level of Brine below Ordnance.
	Ft. in.	*Ft. in.*	*Ft. in.*	*Ft. in.*
No. 4. Marbury (Mersey Salt and Brine Company).	90 10	170 10	5 0	40 0
No. 15. Worthington Mine -	—	138 0 & 246 0	78 0 & 78 0	141 0 Below surface.
No. 16. Kiverdale Boring -	226 6	276 6	21 0	
No. 17.				
No. 18. H. E. Taylor Wincham	63 9	164 0	5 0	39 3
No. 21. J. Jackson - - -	131 6 &	218 6 &	29 6 &	
Rudheath - - -	187 0	274 3	26 0	96 0
No. 22. Manor Farm - - -	72 0	152 0	42 0	
No. 23. Witton Horse Estate -	178 0	248 0	60 3	
Widness and St. Helens Salt Syndicate.	287 4	357 4	2 8	
No. 24. Wade Brook Shaft -	77 0	137 0	42 0	
Northwich Salt Company.	149 0	209 0	30 0	
No. 26. Brunner, Mond, and Company (Winnington Hill).	—	261 3	85 9	
No. 29. Section at Northwich:				
Top Bed - - -	50 0	132 0	84 0	
Bottom Bed - -	164 0	246 0	84 0	
		417 0	3 0	
		501 0	6 0	

Note.—Veins of rock salt, with brown marl and marl stones, from 222 to 229 feet. Marl and rock salt about equal parts, from 234 to 246 feet. Brown and blue marlstone, with rock salt, from 330 to 334 feet; ditto ditto, 420 to 501 feet. Total thickness of rock salt in all the beds and lumps, about 180 feet.

WINSFORD DISTRICT.

	Rock Head below. (1) Ordnance datum.	Rock Head below. (2) Surface.	Depth of Salt Rock proved.	Level of Brine below Ordnance.
	Ft. in.	*Ft. in.*	*Ft. in.*	*Ft. in.*
No. 6. Ways Green (Weaver Brine Company).	172 0	277 0	13 3	43 0
No. 7. Stocks Stairs - -				
No. 10. Newbridge Shaft (J. Verdins and Sons).	about 232 6	292 6	16 6	
No. 11. Runcorn Soap and Alkali Company.	about 111 0	171 0	7 6	
No. 12. Newbridge Works (Messrs. Verdins' New Shaft).				
No. 30. Section at Winsford (probably "Meadow Bank Works").	—	196 0 214 6 250 0 356 0	15 6 33 0 69 6 121 0	

MIDDLEWICH DISTRICT.

No. 28. Stanthorne Boring -	82 0	222 0	Rock salt and marl to 458 ft. below surface.	56 0
No. 32. Murgatroyd, Mid-Cheshire Works.	about 101 10	201 0 & 298 0	48 0 12 0	
No. 34. (Barlow's) Cledford Bridge.	115 0	245 0 & 256 0	10 0 30 0	84 above Ordnance.
No. 33. (Clark's) Cledford Bridge.	48 0	178 0	12 6	85 above Ordnance.

Tuesday, 14*th April* 1891.

MEMBERS PRESENT:

Mr. Gainsford Bruce.
Mr. John Gathorne-Hardy.
Colonel Hill.
Mr. Leake.
Mr. Lyell.
Mr. Mather.
Mr. Story-Maskelyne.

MR. JOHN GATHORNE-HARDY, IN THE CHAIR.

On the Petition of the River Weaver Trustees in opposition to the Bill.

Counsel reserved.

Mr. LIONEL BURY WELLS, re-called. Cross-examined by Mr. *Pember*.

215. TAKING the case of Wybunbury Church first; I think you told us that you considered the sinking of Wybunbury Church to be owing to its bad foundation?—Certainly.

216. It is a very old church, is it not?—No.

217. Perhaps you are right and I am wrong in the particular description; there has been a church there from a very early time, has there not?—The church in question was re-built about 50 years ago.

218. Has not there been a church there?

Chairman.] What is the No. of the question that this arises upon?

Mr. *Pember*.

219. I think it was pretty early in the examination; it is between pages 4 and 6, Question 76 or 77. (To the *Witness*.) Now what I want to ask you is this: I know this is a comparatively modern church. I was wrong in the phrase I used to start with, but there has been a church on that one spot from very ancient time, has there not?—I really have no knowledge excepting a paragragh which appeared in the "Manchester Guardian" about a month or six weeks ago, and that led to my visit to Wybunbury.

220. And when I tell you that Wybunbury Church has been re-built some nine or 10 times in the course of its history as a church, does not that look as if there had been some other cause at work besides the mere badness of the foundations of the edifice?—No.

221. Do you suppose thay all had bad foundations?—Undoubtedly, if they all came down; but I went there and I made particular inquiries about the church, and I saw a picture of the church which was pulled down 50 or 60 years ago, dated 70 or 80 years previous to that time, and I heard nothing particular of the old churches having been pulled down.

222. I put it to you that if the churches have been pulled down nine or 10 times since they first built, it looks as if there has been some constant cause at work which renders it necessary to

Mr. *Pember*—continued.

rebuild the churches?—The constant cause has been the bad foundation.

223. What should lead you to suppose that there were nine churches with bad foundations?—Because they were all built upon the same spot.

224. Does not it look as if the same spot had some fault in it, with a tendency to subsidence?—Yes, it is a wet spot, on which if you are going to build a heavy structure you ought to take particular care of your foundations; whereas in this case the foundations have been cared for not at all; in fact the walls have been honeycombed with vaults, and we have the builder in this room who repaired the church 25 years ago because of the bad foundations.

225. Let us see whether the cracking is confined to the church. Did you notice the Congregational Chapel there?—Yes.

226. Was it cracked?—It was.

227. Do you know anything about the foundations of that?—Yes; the whole of that spur of land is upon sand.

228. I ask upon the foundations, not the spur of land?—The foundations are on this wet land.

229. Do you know whether or not the foundations were laid on a concrete floor to give them stability?—That would not prevent them giving way.

230. It does not look as if they were careless in making their foundations?—No.

231. Did you look at the cottages in the village?—Yes.

232. Are not the walls shored up in all sorts of ways?—No, they are not.

233. That you distinctly say?—Yes.

234. Not bolted?—No, there is the general class of cottage there.

235. Are not they bolted?—There are some bolts.

236. That is the general case of the buildings there?—No, not the general case.

237. We

Mr. *Pember*—continued.

237. We have got the cottages; some have to be bolted, and the Congregational Chapel is cracked, and somehow or other nine or 10 churches have gone down. Now let us get the further facts; I understand that you attribute all this to the wet spongy ground and the faulty foundations; now go a step further?—The Ordnance map will bear out my assertion.

238. I do not say that it has not been the spongy ground, but now go a step further?—There are mosses all round the place. (*The Witness explained the plan to the Committee.*)

Mr. *Mather*

239. Is that the peat moss?—Yes, it was when it was built on; some has been drained since; the moss is of the same character round this place. The sexton told me that they found water in the graves upon this side of the churchyard.

Mr. *Pember.*

240. Are not the graves at the other end of the churchyard quite dry?—On the other side they may be dry. I asked him whether they were wet, and he said along the north wall they were wet.

241. What does that moss rest on?—I do not know.

242. I cannot spend the whole day in going into detail. I only want to raise the points I need raise. Is it not the fact that the brine springs issue about two and a-quarter miles off?—Three miles off is the nearest that I know of.

243. What makes you say three miles; did you measure it?—Yes, to the best of my recollection I measured it; it can be measured at once upon the Ordnance.

244. I put it that they are only two and a-quarter miles off; do you know what strength the brine springs are?—They are weak springs.

245. As you know they are weak, what do they contain per gallon of water?—I cannot tell the number of ounces.

246. Then I may tell you that they contain 2 lbs. 4 ounces, which is nearly saturation point?—That I do not agree with.

247. What height are they above the sea?—I think they are about 200 feet above the sea.

248. They are 130 feet above Ordnance datum?——

Chairman.] With reference to this cross-examination I can see it is applied to the question as to whether there are other causes as well as brine pumping for the subsidences, but you must remember that we are not confined to the Cheshire district, and it is no use proving that there may be other causes in the Cheshire district, unless you prove that there are other causes in the Droitwich district which is not near the sea, and where similar causes produce similar effects. At present brine pumping is letting down, and unless you can prove other causes this is only half the case.

Mr. *Pember.*] I cannot prove the whole case at once.

Chairman.] This is near the sea where the brine springs may get away without people being aware of it, but no geologist will say that the brine springs at Droitwich can get away to the sea without people being aware of it; they must come out somewhere where people must see them. It would be no advantage to the Committee to prove that in one district there was another cause, whereas in one of the districts we are concerned with there is no such cause.

Mr. *Pember.*] That we shall see. I must ask you to let me continue.

Chairman.] Certainly.

Mr. *Pember.*

249. I am not in the habit of conceding the weak points of my case any more than the strong. Now, I want, if I can, to get further than this. I shall soon have done with the witness if he will answer yes or no. (To the *Witness.*) Do you know how far the nearest brine pumping is from Wybunbury?—About three miles.

250. Where is that pumping?—Nantwich.

251. You said they do pump at Nantwich; how much brine do they raise from the beds at Nantwich?—A very small quantity.

252. How long have they been at it?—From time immemorial.

253. It is a very small quantity?—Yes.

254. Does the brine still rise to the surface in Nantwich?—Yes; there is a slight oozing of brine.

255. Then it is at the surface within a quarter of a mile?—Within a short distance.

256. Subject to the pumping at the Droitwich bed, am I not right in saying that the nearest pumping station is Wheelock, seven miles off?—The nearest pumping station is Wheelock.

257. And that is seven miles off?—I daresay it is.

258. And Middlewich is the next nearest, ten miles off, and Winsford ten and a-half miles?—I have no means of checking the figures—I daresay they are right.

259. What is the elevation of Winsford?—What part of Winsford?

260. The valley where the pumping stations are?—The pumping stations are at a height of from 60 to 100 feet and upwards above Ordnance.

261. That is the surface; it does not mean where the face of the rock is whence they get the brine?—It varies very much; I should be very glad to give it you.

262. If you can give it well and good. Taking our figures, the brine at Winsford might be taken to be about 120 feet below Ordnance datum, the rock head. Of course, I am aware that there must be slight or great differences in the depression?—There are very considerable differences.

263. It is a question of ridge and furrow and curve; but it is not an unfair figure, comparing the elevation of the brine springs at Wybunbury with the site of the brine at Winsford, to say that

Mr. *Pember*—continued.

that one is 130 feet above and the other 140 feet below Ordnance datum?—We have not got to the site of the brine at Wybunbury.

264. You are giving me the surface level at Wybunbury and the rock head at Winsford?—

Chairman.] Ordnance datum is practically the sea level.

Mr. *Pember.*

265. Ordnance datum is the level of the old dock sill at Liverpool?—No.

266. It is the mean tide level-neaps as well as springs?—Yes.

Chairman.

267. Is it measured every year differently?—No, it is a fixed datum carefully preserved.

268. We have already got you say 200 feet, but I correct you to 130 feet?—That is Nantwich.

269. Wybunbury, where the brine springs are, being west of Wybunbury you may call it Nantwich?—Yes, the springs we mention. If you are two and a quarter miles from Wybunbury you cannot call it Wybunbury.

270. I do not want to call it Wybunbury; I say the brine springs we mention are 130 feet?—At Nantwich, I agree.

271. If you like to call it Nantwich do; but the brine springs which are two and a quarter or three miles from Wybmbury, are what I speak of?—I agree to 130 feet for the issue of the brine.

272. Am I not right in saying that the brine at Winsford, a fair point to take, is something like 140 feet below Ordnance datum?—Not for the issue: that is the rock head.

273. The rock head; the issue is where the brine is pumped?—It is pumped down to that now, but it used to be many feet higher.

274. Never mind what it used to be; I want to know what it is now. You may add afterwards that it was 1,000 feet higher for all I care, but that is what it is now; that is a fair point to take, is it not?—I believe it is.

275. Now Middlewich; 100 feet above Ordnance datum would be a fair level to take for the point at which the brine is reached now?—Yes, at Middlewich it is 84 to 85 feet above.

276. I said 100 feet: you can say 84 to 85 feet if you like it better. Now, as a matter of fact, pumping goes on at Middlewich as we know?—Yes.

277. Do you know that when there has been a day's rest, on Sunday the brine rises to the level we have mentioned of, say, something between 80 and 100 feet at Middlewich?—I know that when you make a bore in a field at Middlewich, which has been done within the last year, the brine is found at 84 feet above Ordnance datum.

278. That is what I wanted to know?—There is no doubt about that.

279. Now tell me what the elevation of Wheelock is above Ordnance datum?—No, I do not know that Wheelock is above Ordnance datum.

280. It is still higher than Middlewich, is it not?—I should think it would be, because it is

Chairman—continued.

on the same stream, and a good many miles up the stream.

281. You cannot tell me the depth at which the brine is reached?—No; all the wells at Wheelock are in the hands of the Salt Union, and we do not get information from them.

282. Is it not the fact, leaving out Wheelock for the moment, as you do not know the relative levels, but that you get the brine springs rising at Nantwich; that is to say, what I call the Wybunbury spring, at 130 feet above the sea; that is, above Ordnance datum, whereas you get the Winsford pumping 140 feet below Ordnance datum; does not that show, at all events, that Winsford pumping cannot affect the neighbourhood of Wybunbury?—I never supposed it did.

283. Do not say whether you supposed it or not; but it would be proof, would it not?—You have not put the figures as you put them before, quite.

284. I have indeed?—I thought it was not as much as 140 feet. I thought it was over 100 feet.

285. No; 140 feet?—Then I was wrong.

286. Whether it is reducing it to 100 feet or not, there is not much in it?—There is not much in it.

287. Now about Droitwich; pumping at Droitwich is of ancient date, is it not?—Very.

288. Has there been any great increase of pumping during the last 20 years at Droitwich, or even 30 years?—Yes; during the last 10 years my information did not go back beyond them. I did not know how to get it; but Mr. Dickinson, in his report of 1881 or 1882, gave the quantity of salt made at Droitwich and at other salt centres; beyond that I have not gone. Then it was less than now. Since then it has been increased from a little over 200,000 tons, at which it was put down up to 260,000. It is in your prospectus.

289. That is no very large increase?—It is 25 per cent., or more.

290. Was not there a larger quantity than that worked 30 years ago at Droitwich?—That I do not know. I gave it as 45,000 tons at Droitwich. 45,000 tons was the figure I find at Droitwich 50 years ago, but it was an isolated figure.

291. What do you mean by an isolated figure?—I have not traced it from 50 years ago, and year by year up to 1880; but I find that 50 years ago 45,000 tons was the quantity. That would show a very large increase, and you remarked upon it at the time. I gave the evidence that it was an increase five-fold.

292. At all events you are not able to tell me that during the last 50 years there has been anything like a steady increase of pumping at Droitwich?—I am not able to tell you, but I do not believe there has been any abnormal increase, more than is shown by this figure of 25 per cent. Pardon me, I am wrong; 40 years ago those works at Stokeprior were very much enlarged. Mr. Corbett took possession of these works from the company some 40 years ago, and from that time no doubt there has been a very considerable increase in pumping.

293. You

Chairman—continued.

293. You are not able to give any figures?—I can refer you to these figures.

294. I believe we shall call Mr. Corbett and we can discuss it with him. Can you give me any figures tending to show when depression began first at Droitwich?—Not beyond the inquiry of 1881.

295. Droitwich was not included in the inquiry of 1881?—It was referred to in the evidence.

296. When you say not beyond what was stated in 1881, I have no objection to you stating what was said as to Dreitwich in 1881. What do you allude to?—One reason why I did not go before 1881, was that the proceedings of 1881 are referred to this Committee.

297. Remember my question; what has it to do with that? You told me that pumping is of ancient date at Droitwich; now I ask you the same question with regard to the depressions; can you give me any facts or figures tending to show whether the depressions at Droitwich have been of long standing or whether they have increased very much of late years?—They have undoubtedly increased of late years.

298. Can you give any facts or figures showing that?—The fact is shown by the condition of the town, as shown on that plan which I put in yesterday. There was no such general repair of the town 30 or 40 years ago, as has taken place within the last eight or ten years.

299. That may be because people have recently thought fit to repair more largely: they may have put up with the condition of the town in earlier times?—As a rule, tradesmen do not spend money upon their buildings unless they are bound to.

300. Cannot you say more than that?—I do not think I can possibly say any more than that.

301. Just a word about the declination of the springs; you say there has been a decay in the fresh water supply of Droitwich?—Very marked.

302. To what do you attribute that?—The springs finding their way down to Stokeprior.

303. To the springs finding their way down to Stokeprior; just simplify that a little; you mean that the springs are tapped by the brine pumping?—Yes, undoubtedly.

304. In alluding to the decay in the fresh water supply, you allude of course to the diminution in the supply obtained by the means which the Droitwich people take to get a water supply to their town?—Yes, and to the fact that the land is sinking at that particular place.

305. One thing at a time; in the first place, what is the method by which the Droitwich people get their water supply; on what strata do they depend?—The red marl.

306. Water in the red marl?—Water in the red marl.

307. Water in the red marl?—Yes.

308. You do not mean over-lying the red marl?—No.

309. Not in the stratum overlying it?—No; I mean in it; I went down myself through it and I saw all that was brought up from the headings; they were driving headings when I was there first, in the marl.

310. If they only completed them last week that is not where they have been in the habit of getting water from?—Yes; they were additional

Chairman—continued.

headings, fresh headings driven in the same area.

311. You cannot suppose when I was asking you as to the decay in their fresh water supply I was referring to the headings that were only finished last week; surely you must know that I was referring to the supply of water they have been enjoying for some years past; into what stratum will those headings run?—Into the marl. I am not endeavouring to mislead you.

312. You say these headings are made into the marl?—Yes.

313. I put it to you from instructions, that those headings were headings driven into the glacial drift sand and gravel overlying the marl?—That I distinctly deny, having seen them myself.

314. What is the depth of marl there?—I do not know. I have never seen any boring.

315. Suppose I prove that that marl, the Cuyper marl, is 180 feet deep under the glacial drift and above the salt?—But I have been through it. I went through a little clay, and then we came upon marl, and it was palpable and plain, and beyond that there was the marl that had been excavated lying along the high road.

316. What has that to do with the depth of marl?—It has a great deal to do with the stratum in which the adits were driven.

317. We are at issue upon the stratum into which the headings were driven; I ask what is the thickness of marl there, above the rock salt?—I only surmise that there is rock salt there. I did not say there was, but I have no doubt there is, because of the sinking.

318. I put this to you: Are you aware it is suggested that this water is drained by the brine pumpers?—I am.

319. If so, there must be a commuuication between the water, whether in the marl or the glacial drift or whatever it is in, and the brine pumps?—Undoubtedly.

320. How is it to get through this marl, which we know to be impermeable at a depth of 180 feet?—But the marl is not impermeable.

321. Who told you that?—I say it from my own information, though I have not had as much to do with it as some people, that I have cut right down through the marl, and destroyed a small well that was in the marl.

322. Where?—At Vale Royal, close to Winsford.

323. I am talking of the depth of marl at this spot?—You talked of the impermeability of the marl.

324. Quite so; but again the marl there is from point to point of even depth?—It is not impervious marl if it varies.

325. What marl are you speaking of; at Winsford I am told there is a difference between the marl; are you aware that the marl here is Cuyper marl, and the marl at Winsford is the glacial drift?—They are both water-bearing marls. I cannot go into geological distinctions.

326. Geological distinctions may be very important?—They may.

327. You do not pretend to be a geologist?—Not at all. I work upon practice.

328. From what date do you date the declina-

Chairman—continued.

tion of these springs?—Those waterworks are not 10 years old.

329. From what period do you date the declination of the springs?—Between 10 years and this date.

330. That is obvious?—I cannot say any nearer. I was never at Droitwich till six weeks or two months ago.

331. You know it is a very bad season for spring water supply: all over the midland counties of England the wells are very dry?—These springs flow to the surface, and there was a considerable head there. I have seen an Ordnance map upon which the springs are marked, and now there is nothing to be seen at the surface, and very little to be got 50 feet below the surface.

332. For how long have you noticed it?—I am working upon information supplied to me by the surveyor at Droitwich, who is here to substantiate it.

333. We notice that you omitted to put in a large subsidence at Arkley?—I do not know of that.

334. Two miles from Sandbach and 3½ from Wheelock?—I do not know that. Will you kindly point it out?

335. If you do not know anything about it, it is not worth while?—It may affect the question if there is a subsidence there. (*The place was pointed out to the Witness.*)

336. At all events you know nothing about it?—No.

337. Then I will leave that. Now, turning to Wheelock for a moment; there is pumping at Wheelock now, is there not?—Yes.

338. Has it been going on for a long time?—Yes.

339. Is there any depression at Wheelock?—I cannot say that there is, because it has not been observed long enough.

Chairman.

340. Where is Wheelock on the map (*Wheelock was pointed out to the Chairman*)?—There are signs in the valley below those works, which I am inclined to attribute to sinking.

Mr. *Pember.*

341. Beyond that you cannot go?—That is as far as I can go.

342. There has been pumping going on there, as you say, for a long time?—Not since the ancient time, you know, but for a long time.

343. What do you call a long time, a century?—I daresay; I do not know; I believe it is comparatively modern.

344. Now we will go to Marton before we finish. We have heard of these Marton Holes; to the action of what works on the land do you attribute the formation of those Marton Holes?—To the action of the Winsford works.

345. To which Winsford works; to the Newbridge works?—No, not entirely. There are two forks leading from Marton which show, I think, very clearly which way the movement is going. The brine is pretty fully saturated by the time it gets there, and consequently it does not take up any more salt. It is the same here (*pointing to the map*). There are pumps all along here (*pointing to the map*). Besides, there is a connection pretty clearly proved between the pumps all along there.

Mr. *Pember*—continued.

346. I am right, am I not, in saying that the Marton Holes are in a line occupying a space of about a mile, and that being the direction of the Newbridge works, then there is a mile beyond that over which there are no subsidences at all?—Oh dear, no; that is a 6-inch Ordnance map, and certainly it is not a mile.

347. I suppose that is on the supposition that the whole of your pink is subsidence?—The whole of the pink is subsidence, and probably more, because we have only marked what we could really find signs of, and a subsidence often takes place in a matter of inches, which you cannot detect.

348. Which is the nearest of those circular holes which are known as the Marton Hole?—There are holes all down that valley. Even the mill-pond is enlarged, which is quite close to the pumping-station; a quarter of a mile or a third of a mile away.

349. Which is the last of those circular holes?—You must go to the big map; it is there (*pointing to the map*).

350. How far is that off the Newbridge works?—Upwards of half-a-mile. That is the 25-inch map.

351. I am told that is a mile?—But the sinking is very much nearer.

352. Am I not right in saying that it is nearer a mile than half-a-mile?—To the Hole, yes, but the sinking is very much nearer half the distance.

Chairman.

353. But if that is the 25-inch scale, it must be very much nearer half-a-mile than a mile. It is no use putting a map up if we are not to believe in it?—That is the 25-inch Ordnance map.

354. It must be much nearer 12½ inches than 25 inches?——

Mr. *Mather.*

355. It must be about five-eighths of a mile?—Probably.

Mr. *Pember.*] *Non constat* that; they have got the spot in the right place.

Chairman.] Then we ought to know that we ought not to rely upon the map; I suppose it is not a matter of any consequence.

Mr. *Pember.*

356. My instructions were that the last of those pits are a mile from the works; now I want to get a few of the figures as to the elevation of these places; am I right in saying that the New Bridge works are about 64 feet above Ordnance datum?—Granted.

357. And that the Marton Great Hole, which is the farthest of all, is about 200 feet above Ordnance datum?—Yes, the surface of the land.

358. And the rest of the chain of holes gets somewhat lower and lower from that 200 feet, and I think the last of the pits is above 100 feet?—I have

Mr. *Pember*—continued.

—I have not followed that at all; I only know the extremities.

359. We will suppose for a moment that it is so; is it not also a fact that the brine bursts out at various points along that line of subsidence?—It has burst out.

360. From time to time?—Once or twice.

361. What makes you limit your answer to once or twice?—That is all, I believe.

362. There is a gentleman who will speak eventually to four times, at all events, in his recollection; but, however, it has burst out we will say more than once at various points along this line of subsidence?—I am aware of twice myself, and no more.

363. The Newbridge works, as you have told us, are at 64 feet above Ordnance datum?—Yes, about that.

364. Are you aware that the rock head down to which they sink and from which they get the brine is some 232 feet below Ordnance datum?

Mr. *Lyell.*] That is at Winsford, I suppose.

Mr. *Pember.*] Yes, at Winsford.

Mr. *Mather.*] Is that the nearest pumping station?

Mr. *Pember.*

365. Yes, I took it because it was the nearest; and it also happens to lie along one of the lines of depression. (To the *Witness.*) I asked you whether you did not know that those Newbridge Works which are on ground the surface of which is 64 feet above Ordnance datum sink down to the rock head which is 232 feet below it?—Yes.

366. We will just take those as an instance; if those works are doing only part of the mischief in the way of causing the subsidence such as is represented by those Marton Holes and the Whatcroft Valley generally, how do you account for the fact that the brine bursts out, at various points along the line of subsidence, at levels of over 100 feet above the sea, and yet at Newbridge we have to sink to 232 feet below the level of the sea to get any brine at all?—I account for it in this way: the bursting out will, of course, be due to the water coming from a higher level.

367. In fact, to the presence of the brine at a higher level there?—No.

Chairman.

368. I should like to understand this bursting out; is it a permanent bursting out which continues, or is it a bursting out which only lasts a short time and then disappears?—A short time and then it disappears.

369. Then the falling in of any large surface of roof or anything of the kind would cause it to burst out?

Mr. *Pember.*] Not at a lower level?

Chairman.] Certainly, if it fell on to a reservoir of water it would force it out at the weakest point wherever it was. If you have a large reservoir of water, and the roof falls in it will force that water out at the weakest point.

Mr. *Pember.*] But I am pumping and I cannot get the brine at a higher level than 232 feet below Ordnance datum.

Chairman.] Supposing that there is a large reservoir below where you are pumping and a great mass falls into that reservoir the water will be forced out at the weakest point.

Mr. *Pember.*] But if there is a connection between it and the reservoir where we are drawing the brine 230 feet below Ordnance datum, that is the line which the brine will take.

Chairman.

370. It is impossible for us to say where the weakest point is; but it will find the weakest point?—Certainly.

Mr. *Lyell.*] Is there any evidence as to whether there is any direct connection between the flow of water from those Holes, and the appearance of the brine as pumped up at Winsford.

Mr. *Pember.*] That is exactly what I shall show that there is not.

Chairman.] If it is only a sudden flow of brine which comes to an end, it may be forced up to any distance.

Mr. *Mather.*] Is the flow of brine at this particular point affected by the pumping ceasing.

Mr. *Pember.*] Not in the slightest degree. You shall have better evidence than I can give you on the spur of the moment, as to what really happens with regard to those outbursts. But at the present moment, I am seeking to show (and at least there is a *primâ facie* case for it, which must be either confirmed on the one hand, or refuted on the other) that the occasional outbursts of brine show, unless you can give some reason for disputing it, that there is a supply of brine at a certain level, which supply of brine is not connected with the supply of brine that we can get by sinking 300 feet into the earth.

Chairman.] If there is this supply of brine at the higher level, when it once bursts out it would continue to run?

Mr. *Pember.*] Not necessarily.

Chairman.] That is what you have to try and prove.

Mr. *Pember.*] There may be a connection between the condition of the water in the reservoir itself, and the condition of the water in those waterlogged holes: but you must prove the connection between it and the Newbridge works.

Chairman.] It strikes me that a sudden outburst which ceases shows a sudden cause and not a permanent cause; whereas an outburst which goes on shows a permanent cause, and not a sudden cause.

Mr. *Pember.*] As Mr. De Rance says, it is exactly analogous to the appearance of the little rivers that are called Bourns in the Kentish chalk which flow for a certain time when the reservoirs of chalk from which they issue are in a certain condition, and cease, as I have no doubt you know, when the reservoirs get below the saturation point.

Chairman.] That is a very abstruse question which people hardly understand; but it is supposed that they are very small reservoirs which are drawn out by a syphon in a very short time.

Mr. *Pember.*] Exactly so, and this is an abstruse question too.

Chairman.] No doubt; I do not want to argue with you at all, Mr. Pember, but it strikes me that where there is a sudden flow like this it comes from a sudden cause, and the other would be permanent.

Mr. *Pember.*] But the cause may be this: that the reservoir which contains this brackish water is not often in a condition to run over.

Chairman.] I quite agree with you; but you must remember that in that case it must be a very minute reservoir, or else it would be easily tapped by boring in some direction.

Mr. *Pember.*] Quite so, but at present you have this undoubted fact: that this happens in spite of the fact that we were pumping at a very much lower level; and the case on the other side is without any evidence to corroborate it. There is no demonstration that there is a connection between all these little water holes and our works at Newbridge Works, and that those depressions are caused by the Newbridge works. I say this, at all events, that there is a presumption against it.

Witness.] With reference to the connection with the Winsford works, I find that this is a Government publication from the Ordnance Survey (*handing a map to the learned Counsel*), and here the sinking land is shown very much further in that direction.

371. This is a copy, I suppose, of Mr. De Rance's own map?—Yes. This is the Marton Valley and these are the Winsford pumps all along this district (*pointing to the map*). That shows a very much nearer approximation to the sinking area than is shown on the map. In fact my surveyor did not discover it, and so we did not discover it, but Mr. De Rance has discovered it.

Chairman.

372. It is trivial at present?—Yes.

Mr. *Pember.*

373. I daresay you will let Mr. De Rance see his map?—It is coloured, certainly, from Mr. De Rance.

374. Where are these periodic ebullitions of brine?—Spasmodic, if you please.

Mr. *Pember*—continued.

375. If you would rather have "spasmodic" than "periodic," I do not care; we will call them spasmodic, these spasmodic ebullitions of brine at those levels? Have you yourself made any observations of them in order to trace what they are caused by?—I went to see them at the time.

376. But that is all?—I made no plans and sections or levels or anything of that sort.

377. Then may I ask you whether those depressions that we have been speaking of, round those holes in the Marton Valley, have increased during the last few years?—Enormously, during the last five or six years; and the sinking in that neighbourhood generally in 1881, was scarcely alluded to with the exception of the Marton Hole. If you look at the photograph you will see those trees which are not yet dead, and their roots are many feet under water.

378. Should you say that it had increased very largely during the last three or four years?—Undoubtedly.

379. Are you aware that the output of salt in that neighbourhood has decreased during that period?—Yes, it has decreased somewhat.

380. How much?—Twenty per cent.

Mr. *Lyell.*

381. It is still 800,000 or 900,000 tons a year, is it not?—Yes.

Mr. *Pember.*

382. Do you know what the output of salt at the Newbridge works was, say six years ago?—No, I do not know the output of the different works.

383. Then you do not know what it is now, of course?—No, but with reference to the sinking at Winsford, I think I ought to explain that during the last ten years a great sinking has taken place, as four maps show, in that direction towards Marton. The increase to the south of Winsford has not been so marked, although it has extended. The increase in the subsidence area to the south of Winsford has not been so marked as it has to the north-west of Winsford.

384. Just one word about this chloride of calcium; that chloride of calcium is the refuse from certain manufacturing operations, is it not?—Yes, of alkali.

385. And it is thrown in large quantities out on to the bank of that Witton Flash, is it not?—Yes.

386. Which is in fact the bank of the Weaver?—Yes.

387. The Witton Flash is an extension of the River Weaver in consequence of the depression of the ground?—Yes.

388. The ground under that Witton Flash is honeycombed, is it not, with old rock mines?—There are old rock mines, but to what extent I am not aware.

389. And those rock mines are in two beds of salt, one of which is known as the top bed, and the other as the bottom bed?—I am not aware that there would be any in that area in the bottom bed. I do not say that there are not.

390. I am told here that most of the old rock mines are in the bottom bed?—I had better say no more about that. I do not know.

391. There

Mr. *Pember*—continued.

391. There are rock mines in both, so that your ignorance on that point does not affect the matter very greatly; are you not aware that there is a brine pumping shaft, as you said yourself, I believe, in chief in the Anderton district, which is sunk down to the bottom bed?—No, I did not say so.

392. Where are they sunk to then? If you say that those Anderton mines, in your judgment, are sunk to the top beds, I do not care, for the sake of illustration?—In my judgment they go to the top beds.

393. We will take it so, and we will have the fact put straight, if it is different; but it does not matter whether it is top or bottom. The old rock mines, at all events, were in the top beds, were they not?—There were rock mines in the top beds.

394. Is it not a fact that the water, charged with the impurities of the surface, and amongst others with this chloride of calcium, can go straight through fissures into those old rock mines, and is pumped up at Anderton in the immediate neighbourhood of the spot, where it is deposited through the submerged shafts of the mines themselves?—It may be so, but I do not know anything about it. It was not my evidence, and I cannot tell you, but I do not see any objection to its doing so at all.

395. There is no physical reason why that should not be the case?—Not at all. It would be a very natural thing to occur.

396. I see it was in my learned friend Mr. Balfour Browne's opening; however, that we will leave to be dealt with by a witness of our own. I think it was at Northwich you said you lived for a long while?—Yes, 11 years.

397. When did you cease to live there may I ask?—In 1887.

398. Should you say that Northwich was a place where the rateable value was going up or down?—That I cannot tell you. I know that Northwich is a very prosperous town. There has been a large alkali works established in the neighbourhood within the last 15 years, which employs upwards of 2,000 hands or 3,000 I think now.

399. And I suppose it is land which seems to have changed hands pretty freely in the year 1823, and changes hands very freely now?—So it does.

400. Have you any idea that the price of land in Northwich is going down?—I have no knowledge at all.

401. I suppose that before the great sale of land which you mentioned yesterday, and which took place in 1823, there had been plenty of depressions in the neighbourhood of Northwich?—I stated in my examination-in-chief that the depressions had been very small and insignificant, and away at Witton Brook half a mile or three-quarters of a mile or more from Northwich in those days was looked upon as being a very great distance off with the then output of salt.

402. With regard generally to those depressions taking place by natural causes, have you read the old histories of the county of Cheshire?—No, I cannot say that I have.

Mr. *Pember*—continued.

403. Have you never read Mr. Ormerod's work, for instance?—No.

404. Have you ever read "Leland's Itinerarium"?—No, never.

405. You have never heard, perhaps, of Combermere?—I have been to Combermere.

406. That is a largish depression, is it not?—That is a fine lake such as there is at Marbury, and many other seats of noblemen and gentlemen in the county of Cheshire.

407. Do you know enough of history to know when this fine lake at Combermere was formed?—No, nor anyone else.

408. At all events we knew that it was formed as early as 1533?—And a good deal before.

409. What makes you say that?—Because it was called Combermere then.

410. How do you know that it was formed a great deal before then if you say that you have read nothing of the history?—I have read the 1881 proceedings carefully.

411. Do you not know that it is historical that it was formed about the year 1533?—No, I know it could not possibly have been so, because it was spoken of as a depression in Combermere in which there was some slip and a tree went in; I suppose a particular oak tree went in and a small slice of land very likely on a slippery clay bed.

412. You have never read the description of the formation of Combermere, have you?—Only in the 1881 proceedings.

413. At all events then according to you natural causes were sufficient at some time or other to bring about a great depression like that?—I do not see any evidence of its being a great depression.

414. You do not think that it was formed by depression at all?—I think that there was a slip there. There are land slips continually occurring.

415. But not a depression caused in consequence of the withdrawal of support from below in the salt measures?—I do not know anything about that.

416. It is not a joke you know?—I think it almost is.

417. We will see what is the concensus of opinion of the persons who do know something about it?—I think it is very much like Wybunbury Church.

418. I shall be quite content if it is; is it within the range of your extensive reading to tell us when pumping began to be really a serious operation in Cheshire?—No, I cannot.

Mr. *Mather.*

419. Have you any knowledge of the brine pumping districts in Germany?—No. I have never been there.

Mr. *Pember.*] As to matters in foreign countries we propose to tender to the Committee some evidence.

Mr. *Lyell.*

420. You have had some experience, have you not, in sinking wells for fresh-water purposes?—Very little.

421. Have you any experience of whether the

Mr. *Lyell*—continued.

Cuyper marl rock which lies above the salt contains a certain amount of salt in it?—I am not an authority on that.

Mr. *Mather.*

422. Will you tell us whether in the headings driven in the marl which you saw last week at Droitwich the water you saw was brackisk or pure fresh water?—I was told that the analysis of the water was uncommonly good, and I think the analysist is here in the room. I have not got it myself.

423. It was dinking water?—It was supplied to the town of Droitwich for the last seven or eight years, and they were perfectly satisfied with it, but they have lost it now. Instead of having 100,000 gallons from comparatively near the surface they only get 30,000 gallons. That I can vouch for, for I read the register of the pumping, and the borough of Droitwich will have to go to the East Worcestershire Water Company to obtain a supply.

424. Was the water in the old works at Droitwich obtained from headings driven in the marl which you saw?—Yes, it was, the only difference being that the first range of headings was driven at about 21 feet below the ground in the marl, and the ones that they are driving now are nearly 50 feet.

425. Does the marl come to the surface at that part where they are driving headings?—No, there was some clay above.

Cross-examined by Mr. *Pembroke Stephens.*

426. A few questions for the Northwich Local Board. In all the legislation that has taken place, directly or indirectly affecting the salt districts, has great importance been attached by Parliament in each Act to the non-removal of brine from the district?—Yes.

427. The Bill of last year, which I need only refer to, was opposed very strongly upon that ground and thrown out, was it not?—Yes.

428. But apart from any protection to the district as such in that way, have there been specific clauses introduced into the different Acts of Parliament which have been passed from time to time to guard against that mischief?—Yes.

429. Of course the subsidences are, as we know, a most serious injury to the neighbourhood, but there is a sort of rough compensation, if one may say so, in the industry in the district itself; but supposing the brine were taken out of the district and manufactured elsewhere it would be all loss, and there would be no possibility of any kind of gain?—Quite so; that is a fair statement.

430. I do not know whether you are the proper person to ask, but have you considered that question, because I do not find, in this Bill any provision of the same kind that I find in the other Acts of Parliament; would it be, in your opinion, upon the lines of previous legislation a proper provision to insert?—It would be undoubtedly upon the lines of previous legislation.

431. There is a mischief to be guarded against which it is desirable to guard against, but I will not labour that point further with you; the

Mr. *Pembroke Stephens*—continued.

scheme of the Bill is to provide a fund for compensation, is it not?—Yes.

432. But that fund, apparently, is of a certain limited amount?—Yes; limited to a rate of 3*d.*

433. But I find in the Bill this provision, that although certain people may have claims, may have been damaged, and that may have been established to the satisfaction of the tribunal, nevertheless by Clause 34: "If at any time it appears to a board that the funds applicable for compensation in any district are or will become insufficient to meet in full the claims made or to be made on such funds, the board may so declare, and thereupon the board shall make a *pro ratâ* abatement on the amounts which would otherwise be payable in respect of any claims to be made or allowed after such declaration"?—Yes.

434. Would not the effect of that be that claims for injury, however undoubted and however well established, would nevertheless, in whole or in part, not be paid?—That would be so.

435. Do you think that that is a desirable thing?—No; I think that if people suffer damage they ought to be compensated for it.

436. That seems to point, does it not, to the insufficiency of the funds; at least I assume from the fact of your contemplating that the funds are insufficient that that goes at once to the limit of the rate?—The idea is, I presume, that the funds would be sufficient.

437. But do not you think that it would be a fairer thing to say that the normal rate, so to speak, should be 3*d.* if you like, but that in the case of any deficiency there should be a power to recover that deficiency?—That would be a more liberal interpretation of it, no doubt.

Mr. *Gainsford Bruce.*

438. You have referred to previous legislation; to what do you refer?—In Acts of Parliament obtained by railway companies passing through the salt district, and also as far back as the last century in the Act of the Trent and Mersey Canal, there were clauses prohibiting the abstraction of brine.

Mr. *Pembroke Stephens.*] I did not go into detail into that with the witness, but the Committee will find the Acts referred to in paragraph 50 of the Petition of the Northwich Local Board. They began in the year 1766; then in the year 1831, then in 1833, and in 1852 and 1861; five Acts in all.

Chairman.] Then, as a matter of fact, a Bill to take brine away in pipes was thrown out last year on that ground.

Mr. *Pembroke Stephens.*] The strongest link in the chain, so to speak.

Cross-examined by Mr. *Kennedy.*

439. I appear on behalf of Brunner, Mond and Company, Limited: I see you have said that there has been an increase in recent years of subsidence or damage, and you named a period of 10 years, referring to Northwich?—Yes. I say 10 years, because the whole thing was gone into in 1881; but I am quite ready to go back 15 years,

Mr. *Kennedy*—continued.

15 years, which is the time I have known the neighbourhood, if you like.

440. You are speaking of the period since the last Bill, and since you have known the neighbourhood?—I have known the neighbourhood 14 or 15 years.

441. As a matter of fact, I daresay you have ascertained that subsidence in that district will go back at any rate for 70 years?—It was slight.

442. I daresay you have not troubled yourself to go into the past history?—I have seen plans. There were plenty of them in the Weaver office showing the condition of the banks of the Weaver.

443. I gather from an answer that you have given recently that Northwich has gone on increasing and prospering?—Undoubtedly the town of Northwich as a rule has. Northwich is a town of some considerable size. There is a portion of it which I submitted plans to the Committee yesterday, which is suffering great damage, and you will find some people who have never received any return for their property for the last 15 or 20 years, because it has all gone in repairs. But there are other parts of the town in which this does not obtain, and where trade is brisk.

444. Taking it as a whole, do you think that there has been a distinct increase in rateable value, and in what you call general prosperity and in population?—There has been a considerable increase in the population.

445. I suppose that is very largely due to the salt trade?—I do not think it is. I think it is due to the alkali works which I have mentioned.

446. Which, of course, are large consumers of salt?—Exactly.

447. The whole of the Northwich district is what you may call, to borrow Mr. Pember's expression, honeycombed with old mines, is it not?—No.

448. Is not the area of subsidence practically an area which is covered by old rock salt mines?—Emphatically no.

449. You have referred to the evidence of 1881: perhaps you saw the map that was produced then?—I did, and I heard a great deal of that evidence, and very misleading it was some of it.

450. At any rate, gentlemen apparently competent, and presumably honest, did say that there were actually old salt mines over, at any rate, a great portion of the area of Northwich where subsidence takes place?—They were never proved.

451. I am told that that is the map behind you?—Yes, it is there; I know it.

452. Do you suggest that there are marked as old salt mines in Northwich things which are not old salt mines?—I have no knowledge extending beyond 15 years myself, and I have been told that that is the case.

453. I am sure that you would wish to give to other gentlemen of professional position the same trust that you naturally ask for yourself; but you have no evidence upon which to suggest from personal knowledge that that map is incorrect?—There is no evidence, as I understand, which can be produced which would warrant the map being made.

Mr. *Kennedy*—continued.

454. Do you think that is a fair thing to say?——

Chairman.] I will ask you only to answer from your own personal knowledge. I think you have no knowledge yourself on the matter.

Mr. *Kennedy.*

455. (To the *Witness.*) You would hardly like your own work to be judged on that basis. I put it to you again as a matter of some seriousness. Do you suggest that that map is not fairly made, from any personal knowledge that you have?—I should want to go much more closely to it, and then I think I may be able to answer your question.

Chairman.] I think, Mr. Kennedy, if you are going to prove that map, it will be much better to prove it than to try to get evidence upon it from a witness who says he knows nothing about it. I do not think it is of any use getting it out of this witness.

Mr. *Kennedy.*] If you think so, Sir, but it is sometimes suggested that it is not fair to omit putting things in cross-examination.

Chairman.] He says he has no personal knowledge of it. You had better prove it by your own witness.

Mr. *Kennedy.*

456. I accept your suggestion, Sir, as to that. (To the *Witness.*) What map is that?—I do not know, indeed.

457. Then you were attacking a map which you did not know?—Exactly; I do not know who made the map. I have not the slightest idea. I have heard the character of the map spoken of many times in the last ten years.

458. You have been just asked about the 3 *d.* rate which is introduced in the clauses of the Bill as proposed; can you tell the Committee whether I am correct or not as to this: that the 3 *d.* is substantially a royalty which is received from those who do the pumping by those who own the property, upon which the pumping is done?—I am not aware that there is any royalty.

459. Did you never hear of a royalty being paid by the pumpers, or the lessees to the owners?—Yes, formerly up to 1 *s.*

460. Do you know how it works out at all as a royalty per ton or per thousand gallons?—The royalty used to vary from 4 *d.* to 1 *s.* per ton.

461. Have you got any figures?—If you will refer to the proceedings of 1881 you will find it all there.

462. All that you have is something that you have seen put down in 1821?—I have never paid it myself; I am an engineer.

463. You are repeating to the Committee something that they will find in some evidence in 1881; is that your statement?—No; I know it of my own knowledge.

464. I am not speaking of the cost of pumping; I am speaking of the actual amount paid per ton or per thousand gallons by way of royalty?—Yes; Lord Stanley of Alderley used to charge 1 *s.*, when he could get it.

Mr. *Kennedy*—continued.

465. He also pumped the brine?—He did, but not entirely.

466. I am not speaking of the case in which the owner is pumping the brine, and makes a charge for doing so; but supposing that a brine pumper comes to an owner and wants to have land for the purpose of pumping, do you know what the usual, and indeed the highest royalty has been; a pure royalty?—I could not say.

Cross-examined by Mr. *Freeman.*

467. I appear on behalf of the Winsford Local Board. In answer to my learned friend, Mr. Kennedy, you stated that there were some disused mines, as I understood you, in the Northwich district?—Yes.

468. Is it correct that in the Winsford district there are no old disused salt mines?—There are only two salt mines in the Winsford district that I am aware of. I think there may have been a third which is disused, but I am not positive.

469. Is it not a correct statement that there are at the present time only two salt mines in the Winsford district, and that those are both being worked?—Yes, that is so.

Mr. *Freeman.*] Of course I should have had to ask this witness several more questions about this important clause, as we deem it, with regard to taking the brine out of the district; but if the Committee will allow me to adopt my learned friend Mr. Pembroke Stephens's cross-examination on that point I will not weary them by repeating it.

Cross-examined by Mr. *Bolton.*

470. I appear for the London and North Western Railway Company; I think you said a moment ago, that, in your opinion, everybody should be compensated for the injury done to them?—Yes.

471. I think in your Bill you propose to compensate water companies and gas companies for injury done to them?—I do not know I am sure whether that is so.

472. Will you kindly refer to Section 21 of the Bill. You will observe that Sub-section 5 is as follows: "With respect to gas and water mains or pipes, the expense of raising, lowering, diverting, or making good the same"; and Sub-section 6: "With respect to all other works not excepted from this Act (including the gasometers, retorts, and buildings of gasworks, and any pumping station, reservoir, or building belonging to any waterworks), an amount not exceeding the actual damage, nor exceeding the amount of the expense necessary to restore the same to working order." So that the Bill provides that water companies and gas companies shall be compensated for any damage done by subsidence?—Yes.

473. And that you think is a proper and right provision?—I would compensate everybody that I could afford to compensate.

474. And you would compensate railway companies?—If I could afford to.

475. Is that the only reason you give for not compensating railway companies; that you cannot afford it?—That is the first reason.

Mr. *Bolton*—continued.

476. Have you any other reason?—The other reason is that they come there and obtain a very large trade, and they can compensate themselves by the tariff which they charge for carriage, I should think. That is really the reason.

477 Might not that also be said of the gas companies and the water companies?—It might, but then the people would get it at once. I lived at Northwich for many years, and I had to pay the price of the gas, and therefore I have a kindly feeling towards them. I think gas was 5 *s.* 6 *d.* per 1,000 when I went there first; I am not sure that it was not more than that.

478. Is it not the case that the gas companies and water companies both benefit by the prosperity of the district, which is caused, no doubt, by the salt manufacture?—The water company belongs to the ratepayers.

479. How about the gas company?—The gas company is a private concern.

480. And it undoubtedly benefits by the prosperity of the district, does it not?—It does; but it charges a higher price for its gas, and therefore the people of the district suffer because of the subsidence.

481. That is to say, they get it both ways?—A portion of them get it both ways.

482. They arrange their price in order to pay for the loss caused by the subsidence, and also they will receive compensation under this Bill?—I take it that if they get compensation they will reduce their price.

483. But they have already raised their price, and now you propose to give them compensation; is not that so?—I do not think they have raised their price.

Chairman.

484. Have the gas company there got the sliding scale applied to it?—I do not know.

Mr. *Marshall.*] No; Lord Redesdale would not give it.

Chairman.] Of course, if the sliding is applied to them, any saving that they make would be applied in the reduction of the charges.

Mr. *Bolton.*] I understood the witness to say that in consequence of subsidences in this district, and the injury done to the mains and so forth, the gas companies have been obliged to charge higher rates?

Witness.] That is so.

485. Then they must have compensated themselves for any injury caused by the subsidence?—They endeavoured to compensate themselves out of the pockets of the people.

486. In addition to that, you propose to give them compensation under the Bill, and to exclude the railway companies?—We propose to give them compensation with the idea that the populace generally will reap the benefit of it in a lower price of gas.

487. In fact, from a kindly feeling, as you said, towards the gas company, which you have not towards the railway company?—You may put it in that way if you like. It is for our own sakes.

488. In

Re-examined by Mr. *Marshall.*

488. In reference to the gas company, do you know that they have only been able to pay a dividend of 7 per cent. to their shareholders, although their Act would allow them if they had the means to pay 10 per cent?—That I am not aware of.

489. Do you know as a matter of fact that they have been losing 700 *l.* or 800 *l.* a year in consequence of the breaking of the pipes through the subsidence?—I can very well believe it; I lived on the other side of the river from the gasometers, and it was always an expectation of mine that when I gave a dinner party the gas would go out suddenly. After 10 years expecting it, since I left, it has done so; the gas was all shut off from one district of Northwich.

490, The present price, I believe, is 4 *s.* 2 *d.*?—That I do not know.

491. In reference to the point put to you by my learned friend Mr. Pembroke Stephens, as to the power to cover a possible deficiency in the 3 *d.* rate, if we may call it a rate, a 3 *d.* rate would, I believe, upon the present output in Cheshire, produce a sum of about 20,000 *l.* a year?—Yes.

492. Is it within your knowledge that so far as an estimate can be formed at present, the probable claim upon the Boards of Compensation in Cheshire would not exceed 10,000 *l.* a year?—I have seen the estimate that you refer to; I have not gone through it at all myself, and I could not express any opinion upon it.

493. That would mean a rate of 1½ *d.* in the pound instead of 3 *d.*?—Yes.

494. Threepence is the maximum proposed by the Bill?—Yes, it is the maximum rate.

495. Just a word by way of question in reference to the alleged prosperity of Northwich. On the one hand I believe the prosperity of the town has somewhat declined in consequence of the introduction of steam upon the river; is that so?—Among the owners of sailing vessels, that is so.

Chairman.] I hardly think that we need go into the question of the prosperity of Northwich.

Mr. *Marshall.*

496. Simply one question further upon that. Whatever prices for land and so forth may be realised, or not realised, would that in any way affect the claims for personal compensation, where a man has wholly or partly lost his house or shop in consequence of subsidence?—No, it would not indeed.

497. Going to the cross-examination of my learned friend Mr. Pember, just a word or two about Combermere; I suppose as you have read the whole of the proceedings of 1881 you have read an extract from Leland's Itinerarium, referring to some little fall of earth near Combermere Abbey?—Yes; that is my recollection of it.

498, A mile from Combermere Abbey there sank a piece of a hill having trees upon it; there it is described in 1533 as Combermere Abbey?—Quite so.

499. Is that what you referred to when you said that in 1533 or thereabouts there was already a mere at Combermere?—Exactly so.

Mr. *Marshall*—continued.

500. In regard to the burstings out, to which your attention was invited, what occasions do you refer to when you say that on two occasions the brine has burst out between Marton Hole and Winsford?—The first occasion was in 1879; I cannot fix the date exactly for the second, but I went there at that time. They were matters of great interest to me.

501. Was it at Bradford Mill?—Yes, just above Bradford Mill.

502. How long did the outburst on that occasion last?—For a few days, to the best of my recollection.

503. And no more?—Certainly no more.

504. What was the other occasion?—It was since then; it was a year or two afterwards.

505. Was it on the same spot, or another?—That was higher up the valley.

Mr. *Mather.*

506. Was it brine or water that you said burst out in 1879?—It was water, considerably saturated. I do not think it was fully saturated, but I did not test it. The miller heard his wheel rattling round at a very great pace, and came out and found that it was being turned by something very much heavier than water. That drew his attention to the fact that it was brine that was turning the mill wheel.

507. About what quantity did you observe upon that occasion flowing per minute or per hour?—It was not flowing when I saw it. I went there within a day or two, and it had ceased then.

508. Was it a copious supply for a short time?—It was a copious supply for a short time. It had overflowed the ordinary bank and killed the grass. It soon found its way into the brook, of course, and when it first took to the brook, it overflowed and killed the vegetation on the side.

509. Would it be 500 gallons a minute, or something of that sort?—Yes, I daresay it would.

Mr. *Marshall.*

510. Was there a landslip that had occurred immediately before that?—Yes, there was a landslip at Marton, I think, or it may have been that it was one of those pits that have been referred to. There was a sudden sinking of that description.

511. On both of those occasions, is it not the fact that there was a sudden sinking in the Marton Hole immediately before the outburst to which you refer?—I believe that was so. I did not make any notes at the time. I did not know that these Bills were coming on.

512. We shall have it more accurately from some other witness. Then, in regard to those so-called brine springs, the brine springs which are no doubt to a certain extent in the neighbourhood of Nantwich, and the other springs referred to, are those known as Shoebridge and Brine Pits?—That is what I imagine; but we are three quarters of a mile wrong in our distance. They are the only ones that I know. The surveyor from Nantwich will corroborate that view.

513. Those

Mr. *Marshall*—continued.

513. Those are the only ones you know of, of that character at all?—Yes.

514. The one at Shoebridge is only four feet deep?—A very small weak spring; it has been gauged.

515. You are asked as to evidence given on or before the former Inquiry; the question was put to Mr. Bride who appeared to oppose the Bill, and he agreed that it was only a very fair trickle?—That I have forgotten.

516. At the brine pits, is it anything more than a trickle?—It is small still.

517. Are there from your knowledge any other things that may be called brine springs in the whole of that neighbourhood?—Not to my knowledge. I do not think there are any at the present time.

518. Wybunbury, you said, was two or three miles from Shoebridge?—Yes.

519. And you referred to the church, and were asked about a Congregational chapel; is there anything at Wybunbury to suggest to your mind that what you saw was caused by salt subsidence?—Certainly not. The knoll upon which the village and church stand is mostly sand, as far as I could learn, and the inhabitants used to get their water from wells sunk in this drift sand, and some of those wells went to 40 feet in depth. The building which had sunk, most of which was cracked a little, was the school; and there were two pumps near to this school. I came away with the conviction that it was pumping the water out of the sand and the inherent bad foundation which had caused those cracks.

520. As to the cottages, was there anything at all unusual in the appearance of the cottages?—No; and I questioned the clerk, a man of 70 years of age, as to whether he had ever known a house pulled down and repaired, or any excessive repairs done to houses such as we see in places that really do sink from subsidence; and he said he had not seen anything of the sort. Mr. Devonport, the surveyor from Nantwich, was there with me.

Chairman.

521. You do not deny that in geological times there may have been some subsidence by natural causes?—It may be so.

522. But it is absurd to suppose that this subsidence taking place now results from natural causes?—Absolutely absurd. If you notice the map and follow the figures down, you will notice that the biggest pumping is where the biggest subsidence has taken place regularly throughout the whole series; and that there is nothing sunk where no pumping has taken place. That is the best possible evidence that you can have.

Mr. *Mather.*

523. Have you any knowledge of the locality of Fleetwood, where salt exists, and where they are beginning to work it?—Yes.

524. Have you noticed in that region anything like natural subsidence?—I did not stop to look, but I made inquiries, and there is nothing at all.

525. There is nothing there of the kind; it is not in the memory of man that there has been any sudden subsidence there or any inequality of the surface different from other parts of the county?—That is so to the best of my knowledge and belief. I made inquiries of the owners of the property, and they said that they knew of nothing, and it was not reasonable to suppose that anything would be found.

Mr. Thomas Ward, sworn; Examined by Mr. *Marshall.*

526. You appear upon the Committee's order served upon you yesterday?—I do.

527. You are at the present time managing director of part of the works of the Salt Union?—Director. I was manager for two-and-a-half years, but I am now director of the company and have taken part in a portion of their work.

528. I believe that, years ago, you had the management of the works of Messrs. John Thompson and Sons, salt proprietors, of Liverpool?—Not their works; the works of Nicholas Ashton and Sons.

529. Before you were with Messrs. Ashton, you were in the office of Messrs. Thompson and Sons?—In the export business in Liverpool of Messrs. Thompson and Sons.

530. After that you were manager of the salt works of Messrs. Ashton for a period of eight years?—Sixteen or 17 years.

531. It was eight years before 1881, and nine years after?—Yes.

532. You have had, during a period of 36 years, an intimate acquaintance with salt works and the salt trade, and an intimate acquaintance with the salt works at Nantwich where you reside?—I have.

533. You are a magistrate of the county of Cheshire?—Yes.

534. And you have written several pamphlets, and read papers before various learned societies upon the salt question in Cheshire?—I have.

535. First, a few questions with reference to the prices in the salt trade; the Salt Union, I believe, was formed two years ago?—Two and a-half years ago.

536. They commenced operations then?—Yes.

537. At that time were the prices of salt: East Indian, 6 *s.* 3 *d.*; handed squares, 12 *s.*; and common salt, 4 *s.* 6 *d.* a ton?—That may be taken as about the price then. The prices varied considerably, but they were very low.

538. That is as near an average as you can give?—Yes.

Mr. *Mather.*

539. Was that previous to the Union?—Yes; previous to the Union.

Mr. *Marshall.*

540. The output of East Indian was about 300,000 tons; handed squares, 100,000 tons; and common salt, 500,000 tons a year?—Roughly that.

Mr. *Marshall*—continued.

that. I cannot give the exact figures. East Indian varied from 240,000 tons to about 340,000 tons.

Chairman.

541. Handed squares is domestic salt, and rough salt is agricultural salt?—East Indian is for export. It is not the stove-dried.

542. The common salt is what you buy as agricultural?—Yes; that is agricultural salt and chemical salt.

543. It is an impure salt?—None, if it is impure. The reason why the agricultural salt is sold at a cheaper rate is that it includes the sweepings out from the rooms.

544. Still it is not clarified?—It has been clarified, but it has got soiled.

545. It does not look like domestic salt?—No; it is coarser in the grain.

Mr. *Mather.*

546. And also East Indian?—It is not in squares, and it is not dried in stoves.

547. Is it exported in squares?—No; in bulk generally, in large cargoes.

Mr. *Lyell.*

548. Are these differences simply differences in quality of grain or chemical purity?—Quality in grain simply, some being stove-dried and some not.

Chairman.

549. Taking domestic salt and agricultural salt, one looks very dirty compared with the other; it is surely not as pure?—We may not quite understand what is agricultural salt. In some parts of the country they sell coarse-grained salt.

550. I do not mean the rock salt, but I mean that which you throw upon grass land; it is rough, dirty looking salt?—It is rough but pure; very pure in itself, except one portion which is the sweepings up of dirty salt; some farmers use the dirty, others prefer to buy the clean salt.

Mr. *Mather.*

551. It is larger crystals?—Yes, compared with the household salt.

Mr. *Lyell.*

552. Does the stove-drying make it look whiter?—Naturally a little whiter. Fine-grained salt looks whiter than coarse-grained salt.

Mr. *Marshall.*

553. You gave us the prices before the forming of the Union; are not the present prices of East Indian 17 *s.*; handed squares, 28 *s.*, and common salt 7 *s.* to 10 *s.* 6 *d.*?—Yes, that is sufficiently near; they are the prices, practically.

554. The price of East India has risen from 6 *s.* 3 *d.* to 17 *s.*; handed squares from 12 *s.* to 28 *s.*, and common salt from 4 *s.* 6 *d.* to 7 *s.*, or from that to 10 *s.* 6 *d.*?—Yes, practically so.

555. You gave evidence in 1881 for the promotion of the then Bill?—Yes, I did.

556. And I think you were asked the question upon that occasion "whether the addition of 6 *d.* or 1 *s.* a ton to the price of salt in itself would affect the consumption or sale of salt," and you answered, "No, the price of salt is never settled by demand from outsiders, being always settled by agreement amongst those who have got to sell. An outsider would buy at any reasonable price. I do not think sellers of it would be wise to put their price too high; the facts with regard to the trade within the last 10 years show conclusively that any moderate variation in the prices from 1 *s.* to 2 *s.* 6 *d.* has not affected the trade in the slightest degree, nor can it do so." Are you still of the same opinion?—I gave that answer then, which I adhere to now; of course if the price in the meanwhile had been raised to a great height, it would alter the whole case entirely. I said a moderate rise from the price that then existed; but if you have a very large rise you may not be able to put anything more upon the top of it.

557. But the addition of the maximum suggested by this Bill, 3 *d.*, would that in your opinion materially or at all alter the amount of the consumption or the sale of salt?—I do not think it would, except perhaps in districts where subsidence may not have commenced; it would handicap the district were subsidence had commenced. Take Fleetwood or take Middlesborough where at present no subsidence has developed, but neither of those places has been working sufficiently long to show it; they would have the advantage of 3 *d.* per ton more than districts which have to pay 3 *d.* compensation.

558. That is assuming that 3 *d.* was put on in addition to the present prices of salt?—Yes.

559. Suppose 3 *d.* was taken off the margin now going into the pocket of the Salt Union, it would not apply?——

Chairman.] It would apply if people had to pay 3 *d.*; whether it was out of one pocket or the other it would make no difference whatever.

Mr. *Mather.*

560. It depends upon local circumstances whether your expenses are higher or lower?—Other circumstances being equal.

Chairman.

561–2. All those things being as they are, 3 *d.* being put on is a tax and makes it 3 *d.* more?——Yes. I do not mean to say that our profits can account for all this; it must make a difference.

Mr. *Leake.*

563. Threepence upon 20 *s.* and 3 *d.* upon 28 *s.*?—It might not materially affect the profit, but it would. I do not mean 3 *d.* as compared with the parties not having to pay; if you have 3 *d.* to pay there would be 3 *d.* increase.

Mr. *Mather.*

564. Even in the district of Nantwich between one company and the other before the formation of the Salt Union, one works would be producing 3 *d.* more or less than another company; it is infinitesimal?—I agree with you there.

Mr. *Marshall.*

565. Cheshire enjoys exceptional canal and railway facilities compared with some other neighbourhoods?—Yes.

566-7. Better in comparison than Middlesborough would be?——

Chairman.] You need not go into this question; it is a matter of common sense. If you pay 3 *d.* more, you have that amount of handicap, but you have other handicaps. One place is on the sea; another place it not on the sea. We have to see whether Mr. Ward's having to pay 3 *d.* on his particular branch of the industry will destroy his branch of the industry. That is the only question, and he says it will not do so.

Mr. *Marshall.*

568. I understand it is infinitesimal in comparison with the amount paid?—Yes, the salt trade must be in a very bad condition if it ever gets to 3 *d.* a ton killing it.

569. You have given close attention for a considerable period to the question which is prominently raised in this Bill, both from its historical and geological aspect?—Yes, from all parts.

570. A question was asked in cross-examination which you have given answer to, as to whether there is evidence from history of the flowing away of any considerable quantity of salt from natural causes by means of the brine springs?—Undoubtedly brine springs have existed throughout the whole of the districts. I will not say the whole of the districts, but the Cheshire districts especially from all time, but no known subsidence of any kind worth speaking of was known until the middle of the last century, and that was when the salt trade began to increase largely. I am not aware of any part of the world where brine springs run away, and I have gone into the question pretty closely, or where any known subsidence has followed the running away of brine springs, or if subsidence has occurred it has been so slight in its nature, and spread over so large a period, and over so large an area, that in the lifetime of an individual it has never been noticed.

571. I come to a quotation from Leland in 1533; was there any reason whatever in your opinion for suggesting that that salt subsidence caused the formation of Combermere?—I think any one who has read Leland, must know that it has nothing to do with Combermere. One thousand five hundred and thirty-three was the date when Leland wrote; the date when the sinking took place was some centuries previous to that, and there is a grant extent of the eleventh or twelfth century of Combermere and the Abbey. The mere itself is one of the Cheshire meres, which existed long before man, undoubtedly. There are scores of them in Cheshire; they are not known to extend in historic time to any extent, therefore whether some geologists are right as to the depression being caused by salt, is a matter of opinion; there are other geologists, equally eminent, who say that it is not. They are in the ordinary drift marls, and whether they are caused by salt I am not in a position to say.

Chairman.

572. You take the same view as the last witness did to my question; you will not deny that salt has been the cause of some slight subsidence in Cheshire in geological times, but it is absurd to suppose that it is the cause of recent subsidences?—Quite.

Mr. *Marshall.*

573. The only instances cited upon the previous inquiry of subsidences of that character were one at Combermere, another at Bulkeley, and the other at Weaver Hall?-- Yes.

574. Were they all, from accounts, available in books, merely trivial sinkings?—Yes, we have had more sinkings in Northwich in a month than the whole of the sinkings that we have any record of, 500 or 600 years ago.

575. Is there any evidence that you have been able to discover any facts upon which you can rely, of any considerable subsidences having taken place before the pumping began?—I am not aware of any, except those tiny ones you spoke of; none of these are in the area affected now, not one, with perhaps the exception of Weaver's Hall, but I should like to point out that at the time we are talking of pumping was going on at Nantwich, which is the nearest district to Combermere and Bulkeley.

Mr. *Mather.*

576. What time?—The pumping at Nantwich was from the earliest times and had been going on for some centuries on a small scale prior to the sinking at Combermere, and the Combermere sinking is very little further from the pumping places than Billinge Green, and some of the other sinkings we have marked upon the map are from the present pumping places.

Mr. *Marshall.*

577. Then, in your opinion, may it well have been that the slight sinking that took place at Combermere Abbey, resulted from the pumping at Nantwich?—I should think an artificial spring with any pump would do as much damage as a natural spring; and if you attribute it to that natural spring, two or three miles away, I do not see why you should not attribute it to an artificial spring in any pump.

578. Are you familiar with the appearance of Nantwich during the last 20 or 30 years?—No, I have only been there two or three times.

579. Do you know of any evidence that the subsidence of the town of Nantwich, except the few cracks pointed to and which formed the topic of discussion, came from subsidence or not, within the last 20 years?—I looked for them, but I saw nothing of the nature that I should call serious at all.

580. Your attention has been invited to that end of the county; I take your answer to be general with regard to Cheshire, that you do not know of any brine springs anywhere about the county?—I know Nantwich, the Shoebridge spring. I do not know any other spring running away to the west.

581. While upon that point I will ask you with reference to an answer made by Mr. De Rance in his evidence to a nich in the saucer at or near Frodsham;

Mr. *Marshall*—continued.

Frodsham; did you see anything of the nature of the thing so described by that gentleman?—No, I never saw it, nor could I hear of anyone else who had; it is a very ingenious theory, but facts do not square with it.

582. If there had been a large outflow of brine at or near there, would you from analogy have expected to see a considerable manufacture of salt from it in times past?—Naturally so; the salt towns are the places where the salt subsidences were. There is no salt town down there and no salt spring.

583. Was the brine eagerly sought after in recent historical times, so that generally, where there was brine to be had, there would be some settlement of that kind?—The question may be satisfied by telling you the recent borings within the last six months there. One boring was sunk in a direct line to the brine flow at the nich in the saucer spoken of, and has gone down 600 feet and found no brine at all; another has gone down 200 feet upon the other side of the river, and two other bore-holes have been put down, but no brine has been found in any of them. If the brine had been going in a stream down there it must have been met with.

584. In what direction?—Between Nantwich and Frodsham; down the course of the River Weaver.

585. You have not been able to discover any facts whatever indicating any considerable outflow of brine at that point?—I never heard of it. I have heard of brine, very weak brine, being found here and there down at a certain depth below the surface; that is common over the whole of Cheshire, but not to any extent to appear in the shape of springs.

586. One question upon that part of the matter; with reference to the outbursts that have been referred to this morning, have you any knowledge in your acquaintance with that part of the country of any other outburst beyond the two referred to by him?—None. They are extremely simple; that is the most natural thing in the world, I should take it.

587. Kindly explain what really took place?—What took place was simply this, that a very large sinking took place suddenly in the course of a small brook, and I was there directly afterwards, and from measurements I took, at least 70,000 tons of earth must have suddenly gone below. Now anyone who has seen a ship or a flat launched knows that an enormous eddy is produced in the water, which forces the water away in all directions. We evidently had that in this Marton Valley, as the Marton Hole had gone in some time before that, and shown that there was a stream of brine, or a current of water making itself into brine, going down to the Winsford pumps. When this sudden fall took place in the course of the brooks, it forced the water of the valley below in all directions, and in the weakest places, not one, but at least four or five distinct places along the side of the valley, the water was forced out. One hole was on low ground alongside the brook, another on the side of the hill just rising from the brook, and two others close to the Bradford Mill. The whole of those showed a sudden outflow of brine, which could

Mr. *Marshall*—continued.

only have occurred, as there was no other cause, by some sudden force being applied. It was not a constant thing; it had not occurred before, and it was not the result of pressure from above. And I will give you the reason why it was not the result of pressure from above. It is simply this, that a hole fell in between the high ground and the outburst, and it could not be because force of the brine was below the dam and not above it. If it had been from the force of the water above, the dam would have stopped the water from coming down; but the fall in was between the source which we are supposed to believe gave the volume to it and made it rise, and where the outburst was at the time the outburst took place; but there could have been no physical connection whatever between the high ground waters and the brine coming out, because the dam had cut it off.

588. You spoke about a large downfall of earth; was that upon both occasions, or upon one only?—I think on the later occasion there was not so large a fall; it was trifling compared with the former. The first occasion when the fall was said to be brought about by only brine and water there was a large fall of earth.

589. How near would the falls of earth be to where the outbursts took place?—I think from half a mile to three-quarters of a mile, so far as I can remember.

590. Were those falls of earth in Marton Hole, or where?—No, they were between Marton Hole and Newbridge Saltworks.

591. Do you know whether there was, upon both occasions, a fall in the altitude of the pumpings at Marton Hole?—I did not see Marton Hole then.

592. You cannot speak from personal knowledge?—No.

593. Beyond those two, have you any knowledge whatever of any such outbursts?—None.

594. You are at issue with Mr. De Rance in reference to the theory put before the Committee upon the last occasion?—I am at issue because the facts do not agree with the theory at all.

595. I believe you attributed the subsidences to distinct causes; with regard to Winsford, the cause explained by Mr. Balfour Browne by the water coming down from a greater height, going across the valley, and coming up again at what is called the source; with regard to Northwich, by the existence of old pits there; now with regard to the first point, you are yourself a Fellow of the Geological Society?—Yes.

596. You have given a good deal of attention to the matter?—Yes.

597. And in one pamphlet which you have written, a lengthy one, you have dealt with the question?—Yes.

598. The dissolving of salt by what was described as the natural process was alleged to have gone on very rapidly in order to account for the outflow of brine which is agreed to have taken place at that point near Frodsham; is it within your knowledge that if there is only a natural flow of water, without any pumping whatever, the dissolving of the brine goes on rapidly?—I do not think there is a natural flow of water at all. The idea of there being brine

Mr. *Marshall*—continued.

rivers is absurd; the natural flow would be at the present pumping stations, and that is all.

Chairman.

599. I suppose the question of whether salt would dissolve rapidly or not depends upon the amount of it running through?—No, it does not; if you allow the water to stand, as it would do naturally and geologically, supposing you never interfere, the ground would be filled up the same as Mr. De Rance's saucer, but the brine running away over the lip of the saucer would in no case be fully saturated, because unless there is motion on the surface of the rock, which there lies very deep down indeed, it would not bring the full quantity of salt to the surface.

600. Natural causes would probably remove all the salt above the level of the sea, but below the level of the sea that would cease to be the effect?—If I may explain it in a few words it may clear the whole thing up as to the brine saucers; I will do it very shortly.

601. Suppose this is your saucer and the salt is in it?—As long as the water was running down to the sea it would take the salt away with it; when it came below the level of the sea it would cease to do so; the salt lies very much lower.

602. Suppose there was any above the level of the sea, that would be the action?—Yes.

603. But below the level of the sea, it would not have that effect?—No.

Mr. *Story-Maskelyne.*

604. A certain quantity of salt will go away by diffusion?—Yes, the spring water would run really upon the top.

605. There will be a certain amount of diffusion between it and the saturated water, so that you would have unsaturated saline solution going away?—Yes.

606. But operating through a very large series of years, *œons* if you like, such a thing as that would effect a considerable alteration in the amount of the salt below?—Yes, I agree with you.

607. It would be so slow a process that we need not take it into consideration?—Take any exposed surfaces of rock, such as those in Spain, if you take any exposed rock surfaces such as at Cordova, in Spain, and the salt ranges of India and other places, which are exposed to the weather, the depression of the surface is so slight as scarcely to be perceptible, and any danger of it can barely be measured by anything appreciable; therefore to account for underground rock salt covered by beds of marl going away so rapidly as they have done in Cheshire by natural causes, is entirely inconsistent with all the facts which we have in all parts of the world.

Mr. *Lyell.*

608. In this red marl overlying the salt rock is there any appreciable amount of salt?—Yes, it is the saline rock; there are saltiferous marls and Cuyper marls, and above them the boulder clay, sand, and gravel.

609. In these saltiferous marls is the salt in sufficient amount to produce a brine spring?—

Mr. *Lyell*—continued.

Slightly; very slightly, not much; but at one time the level of the brine was over the top of the Cuyper marls altogether, so that wherever they are permeable, and they are in parts, there they would be saturated with brine, and would leave a certain saline taste, as it were, afterwards; so that if you washed the clay you would get a little saline.

Mr. *Marshall.*

610. Going back to what you have mentioned with reference to the amount of depression in Cordova, in Spain, you have mentioned that although the rock is entirely exposed to the rain and weather, the amount lost by solution is only about four feet in 100 years, being equal to half-an inch per year?—Yes, I was comparing it with the enormous subsidence taking place here, in the underground, and more unfavourably situated bed of salt.

611. The specific gravity of fully saturated brine is, I think, about one-fifth more than that of fresh water?—1·2, or 12 to 10 is about the usual proportion.

612. Then, under these circumstances, fresh water, even if poured in, would, roughly speaking, pass over the face of the brine, remaining in any reservoir below?—Yes, I take it that naturally the rainfall would go slowly in and not violently, and that, therefore, it would only interfere to an appreciable extent with the upper layer of water, and would not of necessity go down to the bottom or the bed of rock which lies so low.

Mr. *Mather.*

613. The lower waters would be fully saturated with salt, and practically make an impervious stratum to the upper waters?—To some extent, but diffusion would take place, and does take place, very quietly; but the result of hundreds of thousands of springs that you find in all parts of the world is, that you do not find they are fully saturated unless rock-salt is pretty close to it.

614. It diminishes in strength, of course, the nearer to the surface?—Yes.

Mr. *Leake.*

615. Until you remove the saturated portion you have support for your surface?—The surface does not go down as a matter of fact.

Mr. *Lyell.*

616. But in these brine springs they draw their salt ultimately from the salt rock which lies some depth below?—Undoubtedly, in this district.

617. And not drawn from the immediately adjacent portions of the red marl through which the water goes?—There is not salt enough in red marl to give assistance to them.

618. You think they obtain their salt from the lower salt rock by the movement of the water, rather than by quiet diffusion?—I think it is to a certain extent by quiet diffusion, because they are none of them fully saturated. If the motion were great, mixing would take place and the saturation would be perfect.

619. What

Mr. *Mather.*

619. What is the strength of the brine of the strongest brine springs you have inquired into?—The brine springs at Nantwich are stronger than the average; they are 2 lb. 4 ozs.; they vary from 1 lb. 10 ozs. to the gallon; we have had 2 lb. 10½ ozs.; that is fully saturated brine; they vary from 1 lb. 10 ozs. to 2 lb. 4 ozs.

620. Some are nearly saturated?—Yes, but very few. I only know of one in the whole of Germany fully saturated.

621. Where is there?—In Hanover.

622. Do you know the depth of the beds of rock salt near Hanover?—They are none of them deep near Hanover.

623. I refer to Northwich?—Very similar. In other parts of Germany they are much deeper.

Mr. *Marshall.*

624. Generally speaking, I take it the brine springs, few as there are of them, are very much weaker than that which is at Shoebridge?—Yes, generally speaking.

625. And I think even with regard to the Nantwich district itself, pumping has been discontinued for the last 35 years, because the brine was so weak that they found it unprofitable for manufacture?—Yes, the brine really is found at Nantwich at a depth of 120 feet in a bore hole put down; there is a stratum of gravel through which the brine comes up through the bore hole; but there it was not strong enough to work.

626. In your opinion, it is the continuous motion, kept up by the continuous pumping, which causes the rock salt to be eaten away in such sufficient quantity as to form fully saturated brine?—Undoubtedly; the moment fresh water touches the rock salt it proceeds to saturate itself, and on its passage to the pumping centre from all sides it takes up more salt. The particles of water being in rapid motion, come in contact with the bed of salt, and before they get to the pumping station ——

Chairman.] Confine Mr. Ward's attention to the financial and legal part of the scheme and not to these facts.

Mr. *Marshall.*

627-8. I should like to put one question as to the suggestion made that the subsidences at Northwich occur in consequence of old pits being there. What is the total acreage of the old pits at Northwich?—I do not think anyone can tell you; but, calculating from the quantity of rock salt sent down the River Weaver, and the depth of mines worked, I should think the old top mines could not have covered more than 40 acres.

629. The area of the subsidence is how much?—More than 200 acres; 200 or 300 acres I should think; more than that probably.

Chairman.

630. Of course the old pits are practically let in by the pumping?—Yes, they intensify the mischief, but they are not the cause of it. There is a large cavity.

631. It is more easily let in than the other parts?—Yes, certainly.

Mr. *Marshall.*

632. It is suggested to me that the area of subsidence is nearer 2,000 acres than 200 acres; I do not know what you say to that?—I speak of the Northwich district alone.

633. Is it the fact that there are seven or ten pumps going there at the rock head, quite apart from the old mines?——

Chairman.

634. You need not trouble yourself about these facts?—I know them all, I can tell you.

Chairman.] It is such a matter of common sense that you need not trouble about it.

Mr. *Marshall.*

635-6. I do not think I ought to trouble Mr. Ward upon the legal aspect of the matter; there is only the financial aspect which has not been dealt with. (To the *Witness.*) I will refer you to the prospectus of the Salt Union. My learned friend Mr. Balfour Browne referred to paragraph 5 in opening the case; that was formed from your report, was it not?—Yes, it was.

Cross-examined by Mr. *Freeman.*

637. One or two questions upon behalf of the Winsford Local Board; of course, the different pumping stations, as you know, are situated in different districts in Cheshire?—Yes.

638. The damage which is caused in different districts varies considerably?—Yes.

639. You consider that in settling the compensation money to be paid by the pumpers of brine to the persons whose property is injured, the principle to go upon is to allocate the mischief done in particular districts where pumping is done to the particular people who pump there?—If you can define the district, I should say yes.

640. You have taken an interest in this subject for many years, and you know the Bill which was brought in in the year 1881?—Yes.

641. That Bill was a Bill dealing only with the mischief done in Cheshire?—Yes.

642. Whereas this of course is a general Bill?—Yes.

643. But long before 1881 four districts were defined, were they not, as to which compensation was to be separately given; namely, Nantwich, Winsford, Middlewich, and Sandwich districts?—Yes, there were four districts upon that occasion.

644. And there were separate funds maintained for these districts, and the money so required for each of the districts was to be raised from the persons pumping in those districts?—That was the intention.

645. Was that an arrangement which, in your opinion, would have worked fairly and reasonably?—I think that wherever you can really define a district, and say that the sinking within that area has been caused by certain parties within the area, you should do so.

646. You are very well acquainted with the various efforts which have been made, and which

Mr. *Freeman*—continued.

culminated last year in the Widnes Brine Bill, to remove brine out of the district, which was pumped as brine and taken away?—Yes.

647. Do you consider that in view both of the damage which is suffered by the person having property in the neighbourhood, and to the tax which will have to be paid under this Bill by the brine pumpers, restriction should be placed against carrying brine away out of the district?—I think so, most certainly. In fact, it would be a most serious consequence to any district to give permission to take the brine away, because the compensation to certain individuals for the injury done to their property, and that is all that is proposed by the Bill, can never compensate other owners of property who have no tenants because the trade had gone somewhere else. If I establish works 10 miles off and put on pipes and damage the district by carrying on my works and trading at a distance, no amount that we can safely put in the Bill would compensate the district generally for the whole loss of its trade, however much it might compensate a single individual for the loss of his property.

Chairman.

648. It would make it a district unfit to start any other industry in, because it is unsafe?—It is unsafe because other trades cannot come there.

Mr. *Freeman.*

649. What you fear is other places, like Widnes, many miles away, acquiring a small piece of ground in the Northwich district pumping brine, and carrying it by a pipe right away?—Yes, I should fear it very much.

650. In the one hand doing all the mischief, and on the other hand doing none of the good?—It is so different to any other trade that we have. We have no knowledge of any similar trade, and we require a special law for it.

651. Do you think that since in this Bill people are endeavouring to settle the whole question of brine pumping, the continous policy of Parliament should now be confirmed, and a prohibition introduced against removing brine?—If it had not been the policy of Parliament hitherto, it ought to be in future in the interest of the districts themselves.

652. Judging by the mind of Parliament last Session, the Bill being thrown out without even hearing the whole case against the Bill?—Certainly.

Cross-examined by Mr. *Kennedy.*

653. You have been asked about the policy of the Bill; you agree, do you not, that it is very difficult to allocate the injury done to any portion of the district to any particular pumping-station or stations?—That is the very essence of the thing; if we could allocate it we should not come here for a Bill, I take it.

654. That is what I understand; follow it up; it would not be at all easy to draw up districts of that kind; there would be always a good deal to be said *pro* and *con*?—Undoubtedly. Take the outlying districts, Billinge Green and Whatcroft. You cannot definitely say whether it is

Mr. *Kennedy*—continued.

Northwich, Middlewich, or Winsford that is doing the mischief.

655. What I am anxious to bring before the Committee is this, if I follow you correctly: do not you think that it would be much fairer and much juster not to proceed with such powers as are given in this Bill absolutely to fix a district, but to proceed in the much more usual method of a Provisional Order, which would allow of inquiry as to the limits of the district and as to the parties who have anything to say, or any interest at stake, to be heard upon it?—I agree; I thought it was so in the Bill; I have had nothing to do with the Bill.

656. They take the unusual course here of fixing absolutely the loss to the parties in the district?

Mr. *J. D. FitzGerald.*] Pardon me, the Bill does does provide that power. The Bill provides for inquiry by the Local Government Board.

Mr. *Kennedy.*

657. Is not the more usual course a Provisional Order, and then, subsequently, a Bill embodying the Order by way of confirmation upon which the parties could be heard; that is the course you would prefer?—I should take the usual course of the Local Government Board holding an inquiry on the spot.

Chairman.

658. That is the position which is laid down in the Bill; you are contented that the Local Government Board shall hold an inquiry and fix the district?—Yes.

659. That is considerably less expensive, I presume, than obtaining the ordinary Provisional Order of the Local Government Board?—The usual way of fixing a district is by an inquiry of the Local Government Board.

Mr. *Kennedy.*] With great deference, Sir, I may not have put it in the way you understood.

Chairman.

660. What you wish to know is, whether it would not be necessary to bring in a Provisional Order; but he is satisfied with the Local Government Board holding an inquiry, and fixing the district itself?—As the result of inquiry upon the spot.

Mr. *Kennedy.*

661. Would you be satisfied with an inquiry of this very extremely exceptional nature, dealing with rights without appeal and without the ordinary opportunity of being heard, that everybody has when there is a confirmation Bill of a Provisional Order?—I mean I would proceed as the Local Government Board generally does proceed. I have taken part in several inquiries of this kind. They give notice that they are going to hold an inquiry upon this particular question in the district, that they will bear evidence from all parties concerned, and after hearing the evidence, the inspector who comes down will make his report, and based upon that evidence the district will be formed. That is my view.

662. I quite

Mr. *Kennedy*— continued.

652. I quite go with you up to a certain point as regards the local inquiry, and as regards the report of the inspector, but can you cite a case in which rights are dealt with without the result of that inquiry taking the form of a Provisional Order, on which, of course, there is a confirmation Bill in Parliament, and upon which parties can be heard?—I think the district should stand upon the same footing in the Bill itself, and that it should be made perfectly legal by Parliament some way or other, whether in the form of a Provisional Order or not.

663. We are at one upon that; the question you have not considered is this: whether the rights of the district, which you admit are involved and are very important interests, should be dealt with merely by the fiat of the Local Government Board without appeal, or should be dealt with by a Provisional Order, to be embodied in the usual course in an Act of Parliament?—I should prefer a Provisional Order myself, with the inquiry that leads to it.

664. Take another matter; take Nantwich as an instance and one which those whom I represent are near; that is pretty well over the town area; the area of the surface is pretty well honeycombed by old mines?—Not at all where the town is. There is not a mine under the town.

665. I am told that that represents a portion of it (*referring to a map on the wall*)?—I know the map well. It may be correct as to the localities, but not at all as to the areas.

666. Then you tell us, in spite of what the last witness said, that substantially it is correct?—Substantially the map represents either the brine-shafts that have been put down, or the shafts at the old mines.

667. That is a place of more or less antiquity, all disused?—Not all disused.

668. Mostly disused, are they not?—A great number of them are disused certainly.

669. You said just now, and you would wish to tell me correctly, that those are not under the town of Northwich any of them?—Certainly not.

670. Is it not notoriously well known to everybody that there is a mine which you can get into underneath Wilton-street?—That is not a mine at all.

671. I want to get from you whether they have caused damage or not; are there not disused mines, old rock-salt mines, under a considerable portion of Northwich?—No, certainly not, and not used mines; there are only two used mines of very small area. I speak about these things because I know about every one of them; you may take my word for it.

672. Look at the map?—I have nothing to do with the map. I speak on the facts. I can tell you all about these mines.

673. Forgive me saying that is rather running away from my question, which I am sure you do not wish to evade?—No, I do not wish to give false answers to anything you ask.

674. I am sure of it. I want to know is it not common knowledge that there are, in the Northwich district, a large number of old rock-salt mines?—Not under the town; that is the question you asked me.

675. I will leave out the word town if that is your difficulty; over the area of Northwich, is there not a large number of old rock-salt mines?—Undoubtedly.

Mr. *Kennedy*—continued.

676. May I ask you further this, and I daresay you know, and from something I have read of yours it is so, that a good many old rock-salt mines were badly mined?—You have not heard me say so; I should like your evidence for it.

677. Insuffiiently mined?—No.

678. Insufficiently pillared?—If you say one or two, I will agree with you.

679. Some were insufficiently pillared?—Yes, but none were under the town of Northwich, or near to it.

Chairman.

680. What in that map which represents the town is the brown portion of the map?—I will show you. (*The Witness pointed out the town of Northwich on the map to the Committee.*)

Mr. *Kennedy.*

681. I do not want to go into detail, but are you aware that there are three mines not under Leicester-street alone, but one under Leicester-street?—One mine under Leicester-street, not more.

681*. How many under Witton-street?—One.

682. There are two streets under which there are mines?—Yes, they are both bottom mines at present worked; there is no subsidence at present due to them.

683. You agree that this question of judging of the cause of subsidence is a very difficult matter?—No, not at all; it is one of the simplest matters in the world.

Chairman.] It cannot be a matter of opinion about a working mine whether it causes subsidence or not.

Mr. *Kennedy.*] Speaking of mines generally.

Chairman.] When they are being worked, it is clear whether they cause subsidence or not.

Mr. *Kennedy.*

684. You understand the provisions of this Bill also with regard to the District Board and Compensation Board which is to be formed?—No, I do not. I have had nothing whatever to do with the Bill in any shape or form. I have just seen it.

685. I should like your judgment before my mind with respect to this; assuming it be proposed, as it is, to make the composition of the Committee that there should be one-third, as I understand, appointed by the brine pumpers within the district, one-third by the owners, and one-third by the sanitary authority, it would be in effect to give the owners and persons forming the body of the claimants no less than two-thirds of the constitution of the Board; you would not contend that that is reasonable, would you?—I am not prepared to discuss that point at all.

686. I put it to you as a person interested, a gentleman in business who has practical knowledge; do you not think that it would have been fairer to have half appointed by the brine pumpers,

Mr. *Kennedy*—continued.

pumpers, the people to be taxed, and half by the rest, and the chairman appointed by the Local Government Board, being a perfectly independent person, than giving two-thirds of the representation to those who will in one form or another form the body of claimants?—I would rather, if I had my own way, neither let the claimants nor the parties claimed upon form the board; I would let them appear as witnesses.

687. Assuming the scheme as proposed, if you are to have them formed from the body interested, you would agree it would be very unreasonable to give the local authorities composed of claimants and persons interested two-thirds.

Mr. *Marshall.*] Is not that rather an assumption?

Mr. *Kennedy.*

688. Assuming it would be so, you would not regard it as reasonable; you would rather have an outside authority altogether?—I would.

689. It would be a matter likely to produce a great deal of conflict and ill-feeling and confusion in the district?—About the same as most cases of a similar kind.

690. Money interests, according to you, are involved to a considerable extent?—Yes.

691. And you would rather have an outside body?—Yes.

692. I should like also to ask you this, with regard to the gas and water companies; you have not looked at the provisions with regard to those?—I have looked at them generally.

693. They are persons who are able to get their compensation for themselves by their own taxation, and they again draw their profits from the district, it being a populous district?—The matter being in the hands of the Local Board, and the rates fixed by the Local Government Board, they would not be likely to put anything on; they have, of course, the power that any local company would have anywhere.

Chairman.

694. A local company, in fact, are obliged to charge what pays them; if they do not, it comes ont of the rates?—They are bound to do so.

695. They must either pay it out of the rates or out of the charges?—Yes.

Mr. *Kennedy.*

696 With regard to compensation, I should like to ask you this: Looking at the fact that as you have told me, it is difficult to trace where the damage comes from in any particular case, because, as you truly say, there would be no need for legislation if it were so. Looking at the fact that, in many cases, these houses and buildings have been built with perfect knowledge of the risk, and looking also to the fact that there are other causes besides brine pumping at work, would it not be fairer to say that the compensation which should be assessable, and yet through the Compensation Board should not exceed 50 per cent. of the amount of actual damage; do you not think that would more than allow for what brine pumping would do?—No; you proceed upon a snpposition, which is a false one; that is, the

Mr. *Kennedy*—continued.

supposition that you have a right to take a man's property and destroy it.

697. Assuming the principle of the Bill to this extent, that some relief ought to be given, are there not many other causes at work which should fairly make the full amount recoverable something like 50 per cent. of the total damage?—I think I know all the causes operating; but I do not know that I should put down as to the old mines what the insufficient pillaring may have done before you arrange the amount.

698. And there is also the fact that though it may be according to you, the ultimate cause, it is the working of previous generations that has brought the land into the state in which any serious damage can be done?—Undoubtedly the working of generations in the past has broken up the land to a serious extent.

699. I wish to suggest to you and the Committee that those things ought to be allowed for in the amount of compensation to be recovered?—If you can prove them it is no use supposing them; I do not know them.

700. Do you not think a Bill which omits consideration of all these things ought to be amended in that respect?—You say all these things; I do not know what you mean.

Chairman.

701. Is not there another point which may be considered; the fact of your letting in a man's house, perhaps you are taking away his salt business, and you ought to pay him for it in addition to his house; you would not like the Bill amended in that respect?—If we take for granted that if the pumping had not been there the sinking would not have taken place, and that if the pumping ceased the sinking would not continue; then any injury that is done must be directly chargeable upon the pumping; if there are any other causes I should like to know what they are. Certainly, if you can prove that they contribute towards it, tax them.

Mr. *Kennedy.*

702. Do you not think that some consideration should be given to the fact that already the brine pumpers by being the largest, or some of the largest ratepayers of the district, do contribute to the local funds?—Any manufacture contributes whether it causes sinking or not.

Chairman.] They will also get the additional relief, if there is compensation paid to the local authorties from the rates which they would have to pay; they are in the same position as the other ratepayers.

Mr. *Kennedy.*

703–4. One other matter; do you think yourself that any owner of land who is at the same time letting land for the purpose of brine pumping ought to be able to claim compensation?—Why not?

705. Do you think that those who are themselves making a large and very handsome profit out of the brine pumping, and getting rents from the lands let for the purpose of brine pumping, ought to be also able to claim for injury which,

Mr. *Kennedy*—continued.

as you say, cannot be traced to any particular works; it may be theirs, or it may be another?—It is rather a difficult question.

Chairman.

706. I think it is an important question; where a man gets a royalty from brine he is practically in the position of a coalowner or anybody else taking his coal out and being paid; is he entitled to compensation as well, do you think?—It depends considerably upon where his land is.

707. So far as you can follow, *primâ facie* he would not be entitled to any compensation?—Take the case of a man pumping in the Marston district, a case of a private dwelling-house and land upon which there is no pumping whatever, they may belong to two distinct individuals; if they did, then the man owning the house in the usual way surely would be entitled to compensation.

708. It would be simply the land upon which royalty was paid; that land should not receive compensation; that is the way it would be taken?—I quite agree with you there; but on a man's own land, if sinking takes place, and he is getting a royalty for pumping the brine, he must take the damage upon himself, the same as if it was rock salt mining and the mine fell in.

Mr. *Kennedy.*

709. Suppose you go further; supposing it so happens that the landlord has let 100 acres to a particular tenant, giving him leave to pump brine wherever he tries to get it, never mind the size of the area, but looking to it as a whole you have more than once stated what I agree with, that there is immense difficulty in tracing any particular injury anywhere to any particular pump or pumps; and if he gets a profit he ought also to be able to claim compensation?—No; I agree that if he lets 100 acres for the purpose of salt mining and pumping, if there is any subsidence in the 100 acres, he should take the loss for it out of his own pocket.

710. Assuming if, instead of letting 100 acres, and getting a very high rent, far above the agricultural rent, he let 200 acres, the same reasoning would apply, would it not?—The same for 2,000 acres if he lets it for that purpose, and it is used for that purpose.

711. Would it be a fair thing to say, without dealing with the size of the particular holding, that if you, within any district formed by the Bill are letting land for the purposes of brine pumping, and you cannot prove, at any rate, that your pumps have done the mischief, or may not, have done the mischief, you shall be excluded from compensation?—I think that is a question worthy of very serious consideration.

Chairman.

712. But *primâ facie* it would appear that a man who had let land for brine pumping should receive no compensation, but if he had land apart and separate he should not be debarred from his compensation in regard to it?—Certainly, that is the view I take of the matter.

Chairman—continued.

713. What he is paid for he should not receive compensation for?—No, because in most cases he enjoys a royalty there.

Mr. *Mather.*

714. Would you go so far as to say upon this hypothesis of 200 acres that if the landlord let buildings of any kind, or if anybody had built upon his land, those tenants should either not be compensated, or if compensated be compensated by the landlord?—I say the landlord should compensate them. If he does anything to injure the property he ought to make it good.

715. Within the 200 acres?—Within the area of land for pumping salt, but you would not see any salt manufacturer take 200 acres.

Mr. *Story-Maskelyne.*

716. What amount is taken as a rule?—One acre to 20 acres.

717. A couple of acres?—Five, ten, or fifteen acres; then you would have a separate letting for the land beyond.

718. Where you had a separate letting you would say you might claim compensation?—The usual way is for a landowner to let it, and receive a royalty per ton of salt made; that is, per ton of brine pumped out, nominally supposed to be pumped from his own property, but he does not guarantee that it is, but whether you pump it or not he charges you just the same if you get any brine upon his property.

719. Suppose a man had got 100 acres, and was going to let a portion for salt pumping, he would probably limit the area that he would let for the purpose of brine pumping, and the rest of his land would be outside the area, but subject to compensation?—Yes.

720. Therefore the whole question falls, does it not?—It is a difficult question, because a man may take half an acre of land, and he may establish a pumping centre there.

721. The question becomes a very small one when you look at it from that point of view; a man would not let 100 acres for the purpose, but he would let just as much as was necessary for establishing the works.

Mr. *Mather.*

722. Is it the usual practice that sufficient land is only let to establish a pumping station?—And the works; but there may be only sufficient land for a pumping centre, and it may be taken to another portion of the same district to manufacture.

Mr. *Lyell.*

723. Why should any brine pumpers hire land for the purpose of brine pumping, seeing that in the present state of the law they can get brine as best they can; they only want enough land to put up pumps?—And for works they are bound for the convenience of working to have a certain area of land.

724. Beyond that area the motive for hiring land must be something different from the mere desire to compensate his neighbours for the injury done?—Yes.

Mr. *Story-Maskelyne.*

725. It practically comes to this: Anybody who lets land in the salt district would be able to obtain compensation, suppose compensation to be given under this Bill?—Yes. Take the case which may occur to many; we have, for instance, Colonel Hayhurst, who has an estate perhaps of 4,000 or 5,000 acres; one small portion of the estate lying alongside the River Weaver is let for salt-mining purposes, but it is a very small portion; it may not be more than 30 or 40 acres at the outside, but sinking takes place on his estate a mile or two away. I do not know whether he is doing the pumping or whether one or other of the pumps, of which he has so many, contributes towards it: any sinking taking place upon the piece of land that he merely lets for salt purposes he ought to take the consequences of.

726. You would not debar him under the Act from taking compensation for the loss, supposing compensation is to be given?—I would not debar him from an opportunity of proving who does the injury.

Chairman.

727. The question of royalty has practically ceased; there is no royalty?—Yes.

Mr. *Story-Maskelyne.*

728. I would like to ask you one more question; do you think you can divide this large Cheshire district into sub-districts in which you can definitely say that the subsidence is due to particular pumping?—I should not like to say it is possible, because new sinkings develop themselves every year in districts where no sinkings took place before, and it is difficult to say through what the sinkings took place.

729. I am the only Member of the House who was on the old Committee, and this question was a good deal gone into then, and I may say I think there are some erroneous impressions with regard to the conclusions that the Committee came to. The Committee was unanimous, and it came to its conclusions not upon some of the grounds supposed. It was solely upon two grounds, so far as my memory carries me; one was that we did not consider that we could divide the districts in the manner you are now alluding to, for it was quite impossible to do it; and the other ground was, that the Bill that was brought in then was a private Bill applying to a special district, and we did not consider that it was right that the common law of England should be subverted under a private Bill, and for a special district, when, so to speak, prescriptive rights were already recognised over the whole country. Those were, I believe, the two grounds upon which we came to our decision. I say this because one or two of the learned gentlemen upon the other side of the contention who took part in that Committee made some allusions the other day that seemed to point to the Committee having come to their conclusion from reasons of another kind; those were the sole grounds of the conclusion that they came to. We went very carefully into the geological evidence, and the only result of that geological evidence we went upon was the fact that we found it almost impossible, perhaps quite impossible, to define some districts in the Cheshire region. I say that because it may limit our discussion in the future, when any allusions are made to the old Committee. I wish there were other Members in the House to whom I could refer to refresh my memory.

Mr. *Story-Maskelyne*—continued.

Chairman.

730. With regard to the district divisions, the best division would be the salt field of any individual salt district in different parts of the country; the whole salt field should be a district?—The difficulty of sub-dividing would be so great that it would make it almost impossible.

731. I do not mean that the whole country should be one district, but each separate salt field should be a separate district?—Take Middlesborough, or Worcestershire, or the district of Cheshire.

732. That would be your view?—Yes.

Mr. *Leake.*

733. You see no practical way of dividing Cheshire into districts?—It is an extremely difficult thing. I should not like to say, if you to-day made a district, that to-morrow you might not find that subsidence had gone on outside that district.

Mr. *Mather.*

734. Having heard what my honourable friend has stated as to the effect produced in the Committee in 1881, first of all the great difficulty of allocating the amount of brine to be attached to any subsidence to the various proprietors and the various pumpers, and having now in your mind the fact that the Salt Union practically incorporated the majority of these owners and small proprietors, do you not think that it would be much easier now to settle claims by one large corporate body over the whole of the district of Cheshire than it would have been in 1881 when this district was owned, perhaps, by 20 or 30 persons to one owning it to-day?—Unfortunately it is not the case of one owning it; you have the large alkali works at Sandbach and Northwich, very large pumpers indeed; you have a large series of small makers springing into existence within the last eighteen months; eight or ten altogether.

735. Could you tell the Committee what number of small proprietors the present Salt Union actually represents in its operations?—I should think some 30 to 40 of the old works; I think I have them all here.

736. In proportion to the whole amount of salt extracted from Cheshire, how much is extracted by the Salt Union?—The great bulk of it.

737. Seventy-five per cent. of it?—Yes.

738. So that in dealing with this question now as compared with 1881, we have one person to deal with so far as 75 per cent. of the salt is concerned in comparison with the 30 or 40 or 50 persons in 1881?—It is simply the fact.

Mr. *Leake.*

739. If we accept the principle of levying a rate, you could have levied a rate as easily upon the whole number as upon the consolidated company,

Mr. *Leake*—continued.

pany, and the only difficulty would have been that you would have more opponents in the field in obtaining it?—Yes, it is easy to levy a rate.

Mr. *Mather.*

740. The difficulties arising out of allocating the amount raised by a rate would have been the difficulty which was found in 1881 of a number of persons pumping salt from a small field without being able to say how much damage they may have done; under the present Bill it is a different thing; therefore, the difficulties have vanished to a certain extent?—It may be so.

Mr. *Gainsford Bruce.*

741. You spoke with reference to the procedure under this Bill, and with reference to the Provisional Order procedure?—Yes.

742. I am not sure whether you had quite in your mind the fact that under this Bill there must be two local inquiries before the district can be formed?—I really cannot say. I said generally the thing was so. I should say that a local inquiry ought to be held, where all parties interested should appear.

743. Let me remind you of this: under this Bill there must first be a memorial presented to the Local Government Board?—Yes.

744. The Local Government Board consider that memorial?—Yes.

745. Then they institute a local inquiry, and after instituting the local inquiry form, if they think right, a draft scheme?—Yes.

746. That draft scheme is submitted to the public bodies, the county council and sanitary authorities and so on, and all persons have an opportunity of being heard at a second local inquiry, to tender objections to the scheme?—Yes.

747. And after that, and only after that, the scheme comes before us; now suppose it were to be carried into force by a Provisional Order, what would follow would be a further inquiry by Parliament, which would involve considerable expense?—Would not it take the usual form of the Provisional Order being embodied in an Omnibus Bill of the Local Government Board and going through?

748. Would you attach any great importance to there being two local inquiries?—I think I would make it an Act of Parliament instead of merely an Order of the Local Government Board.

749. Would there be any advantage in that?—I think it would give it Parliamentary sanction.

Chairman.

750. As a matter of fact, this question would not arise at all if the different salt fields were arranged into districts at once?—No, it would be a very simple way of doing it.

Cross-examined by Mr. *Bolton.*

751. You are aware that the railway companies are exempted from the benefits of this Act?—So I understand.

752. And you told us you were a witness in 1881?—Yes.

Mr. *Bolton*—continued.

753. Are you aware that in that Bill it was proposed to confer upon the railway companies the benefit of these provisions?—I think it was understood so.

754. I should like your opinion upon this point: do you see any reason why the railway companies should be exempted?—I think there was a reason; it struck me, at all events, that there might be in such a case as has been described, that near Billinge Green, where one of the railway bridges is sinking, where the line itself sinks at intervals, and where upon one occasion there was a fall in underneath the metals, if an accident happened to a train passing over there, it would be very hard to saddle all the damage that might arise through the accident upon the compensation fund.

755. I do not think it has been contended for a moment that such a loss should be put upon the fund; it is only proposed that the railway companies should get compensation for actual injury done to their line?—For property actually injured.

756. Not indirect injury done to the passengers by the line falling. Now I want you to apply your mind to the other point; do you see any reason why railway companies should not be compensated for the damage done to their rails and works in the same way as other owners of property are proposed to be?—No, I do not, I confess.

Chairman.

757. Do you see how you could give them compensation without running the risk of being let in for actions besides?—Yes, if the compensation is confined to the mere damage to the actual property itself.

Mr. *Bolton.*] That is all we claim

Cross-examined by Mr. *Lloyd.*

758. Do you believe that the salt rock lies above and beneath the impervious bed of marl?—Yes, if you take both beds; but certainly I do not think that the top bed of marl is impervious all through; in fact I am sure it is not. If you look at the borings that have recently come out, the marl becomes as hard as a slate, perfectly impervious to water, but not the upper marl.

759. Whence does the water flow which eventually becomes brine?—If you look at the map you will see that the green line of sinking is along the course of the streams almost invariably. It really sinks quicker there than anywhere else, which proves, I think, conclusively that it is the water that is passing down there that gets below.

760. Then there is an inexhaustible supply practically, but you have fissures through the upper marl, and the water flows into the rock salt from the various streams, and there is practically an inexhaustible supply?—But you do not seem to understand it. It passes through the marls and clays, which form a puddle. Puddle clay is a very common thing, and it is used to stop the flow. After a sudden fall of rain the water mixes with the marl and puddles the crevice up, as you may call it; and then for a time there is probably no more sinking there.

Mr. *Lloyd*—continued.

761. Then sometimes the water passes through the marl, and sometimes it does not?—Sometimes it passes through the marl, and sometimes it does not. It changes its course very frequently.

762. When do you say that it gets in?—Whenever there is an opening for it to get in.

763. What causes the opening; is it the subsidence?—I cannot tell you exactly what causes it, nor can any other man; but you should know that in some portions of the district the boulder clay, the gravels, and the sands are extremely deep; in other portions they are very shallow. Where the boulder clay and the sands are very deep and thick, the underlying salt marls are very thin, and are liable to filter.

764. You are perfectly acquainted with Mr. De Rance's theory, are you not?—I think so.

765. I may take it that his theory shortly is this, is it not: that the rainfall gets into the place where the original outcrop of the rock salt was, and that it flows along the rock head, and if not intercepted by brine pumping will eventually find its way out at the brine springs?—That is his theory, but I do not mean to say that that is correct.

766. The outcrop in the neighbourhood he puts at the high level above Eddisbury, does he not, on the slopes of Eddisbury?—I do not care about theories; I want facts for these things. I know that Mr. De Rance puts it there, but I do not say that he is right.

767. Assuming that he is right in doing that, the outlet that he gives is a workable outlet, is it not?—What outlet?

768. The outlet I think he put somewhere near Frodsham?—It is an imaginary one. Of course if the saucer is full and that is the lower portion it naturally will run over, there is an "if" in it.

769. As a matter of fact that is the lower portion?—Yes, I suppose it is, undoubtedly.

770. Then that theory you do not agree with?—No, because I say the facts do not agree with it.

771. Let me ask you one question about the springs; the Nantwich spring you know yourself?—Yes.

772. And the brine flowing from the Nantwich spring is nearly fully saturated, is it not?—Not quite.

773. Very nearly?—Not workable. I think it has been said several times what it is. It is not quite fully saturated.

774. Do you know of any other springs in this district?—Not running away to waste.

775. Do you know Audlem?—I believe there are small springs there, but they are not worth mentioning.

776. Does the brine flow there at a great elevation?—Yes. I suppose it flows exactly the same as it did 200 years ago. The description then given of it is accurate at the present time, "oozing slowly away."

777. What subsidence there was in olden times would be due, would it not, possibly to Mr. De Rance's theory?—Not to his theory at all.

778. To the facts of which he gives you the theory?—No, because they are not the lip of the saucer; they are miles away from the lip of the saucer, and that throws the whole theory wrong. Instead of the brine going down the lip of the saucer it comes out miles away.

779. Might it not do so by pressure?—Granted; then if it goes out somewhere else it will not go over the lip of the saucer, and I say it does not.

780. I will not carry that any further as to Mr. De Rance's theory; but as to the Northwich rock mines you have told us that the Old Top mines are about 40 acres in extent?—I think so, judging by the quantity of salt shipped down the river since the mines were first worked.

781. Can you give me the acreage of the bottom mines?—I cannot, but I should think that they would be more than 140 acres.

782. About 150 perhaps we may take it?—I really cannot tell you. It is only guess-work.

783. You guess it to be about 140 or 150 acres?—I roughly know the area of most of these, but I cannot tell you.

784. Are they connected with the top mines?—Some of them; the abandoned ones.

785. The acreage, I understand, of the bottom mines, would about amount to the 200 acres of subsidence that you have given us?—No, all the top mines are over the present bottom ones. The area of sinking of the top mines is really over the bottom mines, and it is included in the bottom mine area.

786. Are quite sure that that is so; one is almost afraid of disagreeing with you, because you know these mines so well?—Well perhaps there may be two or three outside, but I do not think there are more except those that are in the top of the brook.

787. You know Mr. Ashton's mines very well, of course?—Yes.

788. Are they separated from the Witton Bank mine by what I may call a partition?—Yes, the Witton Hall mine, I suppose you mean.

789. The old mines, Mr. Anderton's mines, are now flooded?—Yes.

790. The Witton Hall mine is dry, is it not?—Yes.

791. Is the Witton Hall mine adjacent to Penny's-lane?—Yes.

792. And Newman's mine?—Yes.

793. Are those three all more or less connected?—Penny's-lane mine is not connected.

794. Not by bore-holes, stopped or otherwise?—No, they are not connected. Newman's mine is, by a hole that you could get your finger through.

795. Those two are just by Witton-street, one on either side, are they not, and partly underneath the street?—Yes, a small portion is underneath the street.

796. In the course of time those three mines, the Witton mine, Newman's mine, and Penny's-lane, must become flooded, must they not?—They may.

797. There is very little to prevent the barrier between the old mines and those three being broken down?—Seeing that that barrier has existed for the last 50 years.

798. And is decreasing?—You do not know that, nor any other man living.

799. I want you to tell me?—No one can tell.

800. What

Mr. *Lloyd*—continued.

800. What were the old mines flooded with?—With water, of course, and some of them with brine; in fact, most of them.

801. Is the water becoming more and more saturated?—The water is in the old crater hole, but the mine itself is full of brine, and not water at all. Where the shaft fell in it leaves a crater almost like a volcanic crater, and that is full of water.

802. Is there a great pressure of the column of water against that partition?—Granted.

803. In course of time must not that partition give way?—It depends upon the thickness of it entirely. There is no necessity for its giving way. A reservoir wall does not give way for years.

804. Can you give me any idea of the thickness of that partition?—No, I cannot, indeed, and I do not suppose that anyone can.

Mr. *Lloyd.*] I do not propose to go in detail through the question; but you know what my theory is.

Re-examined by Mr. *Marshall.*

805. In regard to the districts, whatever might be the difficulty as to sub-division, I suppose there would be no difficulty if the whole of the salt field were made into one district?—None.

806. With regard to the other point mentioned by the Committee, there is not only the Salt Union, but also Msssrs. Brunner, Mond and Company, and an increasing number of small owners of salt shafts?—Yes, that is so.

807. The difficulty whether legal or otherwise of getting compensation from one or more of them is the same now I apprehend as it was ten years ago?—Yes, the legal difficulty.

808. That is to say if an action were brought against anyone of them, the Salt Union or Messrs. Brunner and Mond, the same answer would come, namely, that they could not be saddled with having done the damage?—Quite so.

Mr. *Lloyd.*

809. (Through the *Committee.*) You do not come here as representing the Salt Union?—Oh dear no; I come by order of the Committee; I did not expect to be here at all.

Chairman.] This gentleman having finished his evidence, the Committee wish to say to the promoters that they hope that they will turn their attention solely to the legal and financial aspects of the case. The Committee require no further evidence as to the causes of subsidence or the extent of it.

Mr. *G. A. R. FitzGerald.*] Having regard to what the Committee have said, I was only going to ask Professor Dawkins two or three question. We have reason to believe that the theory of 1881 is to be set up again, and having Professor Dawkins here I thought that in any event it would be right that we should have the weight of his authority against that theory.

Chairman.] I think. if the theory of 1881 is set up again I should require the learned counsel upon that side to proceed with the Droitwich case before attempting the Cheshire case. I think they ought not to go at any length into the Cheshire case until they have proved to us that the same theory applies to the Droitwich case.

Mr. *G. A. R. FitzGerald.*] I am quite in the hands of the Committee, but I should like to put Professor Dawkins in the chair, if only for the purpose of asking him whether he agrees with Mr. De Rance's theory.

Chairman.] You may very well, as you have an important witness, I think, bring him here, but you will not take him at any length, I suppose.

Mr. *G. A. R. FitzGerald.*] Certainly not after what has fallen from the Committee.

Professor W. BOYD DAWKINS, F.R.S., sworn; Examined by Mr. *FitzGerald.*

810. YOUR scientific attainments are well known; you are now Professor of Geology at Owen's College, I believe?—I am.

811. And you have done a good deal of work for the Geological Survey?—Yes, I served some years upon the Geological Survey of Great Britain.

812. You are well acquainted, no doubt, with what I will call Mr. De Rance's theory of 1881?—Yes; I have made it my special study, and I have done my best to master the facts which bear upon the general question.

813. Is it your view that there is no such general percolation through the outcrop towards the centre of the saucer as Mr. De Rance supposed?—In my opinion the general percolation from outcrop theory, as it may be called, is wholly unsupported by the facts of the case. I should like to say that my reasons are extremely simple. In the first place supposing that the water which causes the subsidence within the Cheshire basin, was drawn from the outcrop, seeing that it touched the salt, according to that theory, at the outcrop it must be converted into brine where it met with the salt; and the subsidences in question take place, not at the outcrop where they should be, but a considerable distance away from the outcrop, inthe area of the marls themselves, some six to eight miles away.

814. The subsidence moreover is not uniform by any means, but very irregular, is it not?—The subsidence is extremely irregular. The subsidence and the pumping may be said to go together as has been so repeatedly mentioned in this inquiry.

815. In your opinion what influence has the movement caused by the brine pumping operations in this case?—In my opinion the water which causes the subsidence gets in or near the area where the subsidence takes place; and the moment that the pumping is set going then an artificial movement of the heavy brine is set going, and then the water which gets in through percolating

Mr. *FitzGerald*—continued.

percolating through the interstices of the marl takes the place of the heavy brine, and in that manner the subsidence is caused; and of course the heavier the pumping the more the subsidence would be and the wider would be the apertures which are developed in the marls.

816. The fully saturated brine mixes with the fresh water very slowly, does it not?—With regard to the movement of the brine, and the fresh water there is ample evidence that the fresh water mingles with the brine with extreme slowness. As a matter of experience, say in the opening of dock gates, the salt water rapidly drives out the fresh water, the fresh water being at the top. In the case even of the open sea the fresh waters of a great river, such as the Amazon, are felt, say some 300 miles away from the mouth of the river. In order to verify these things I devised an experiment, which, if the Committee wish, I will explain to them. It is simply to the effect that fresh water attacks brine with extreme slowness, and that therefore it is quite impossible for the fresh water to disturb the vast quantity of brine which would be necessary on the percolation from outcrop theory.

817. It would not take a moment, I think, if you gave the short result of that experiment?—I first of all filled a large glass vessel with saturated brine, and I coloured it with aniline dye. I then passed over it a current of fresh water, and in the course of 12 hours the fresh water cleared away all the brine from the upper part to just immediately below the level of the tube through which the fresh water was introduced. The result at the end of 12 hours was this: that below that line I had the dark brine with the colour of aniline and above it, I had that water in which the Committee will see that there is very little of the colouring matter at all, and very little brine. I take it that the interest of that experiment consists in the fact that it explains satisfactorily the movement of the water in the saliferous marl series, and it explains also the weakness of the brine springs, which has been proved over and over again in the various inquiries.

Chairman.

818. At what rapidity was this water flowing?—I can hardly answer that question. It was a very small tube, and it was slowly trickling through.

Mr. *Story-Maskelyne.*

819. How long was the process of emptying the bottle going on?—I carried it on for 12 hours, but I should think I took three tumblers of water out altogether.

Chairman.

820. The water, as I understand it, was introduced at the bottom, and what was carried away was above the place where the water was introduced?—It was introduced through this long tube, and it came in near the top.

821. So that it practically forced out what was above its point of entrance?—It must by the ordinary rule of diffusion.

822. It had practically no effect below the point of entrance?—It had practically no effect.

Mr. *G. A. R. FitzGerald.*

823. Do you agree that quiescent brine would form a support to the land if nothing is done to it?—I believe the evidence on that point is very clear.

824. But when the fully saturated brine is pumped up a movement is set going, is it not, by which the fresh water replaces the brine abstracted?—Quite so.

825. Is it the result of that movement that what are called brine rims are formed?—I take it so. I ought to say that when a movement has been once established, other lines of weakness will be developed, and all the surface waters that can get in do get in and the rate at which the mischief is done will depend upon the rate at which the heavy brine below is abstracted.

826. And in that way would you say that the swift subsidence of which we have had evidence in all those Cheshire districts is caused?—I believe so to the best of my opinion.

827. With regard to the progress of the subsidence during the last 30 years, have you formed any opinion?—So far as I can master the evidence, and I have done my best to master all the information that I can get, the depression during the last few years has been far greater than it has ever been before. It has been moving with far greater swiftness, and, so far as I can see, the greater the pumping the greater the amount of subsidence.

Chairman.] These are facts which I think we have got.

Mr. *G. A. R. FitzGerald.*

828. (To the *Witness.*) That is your opinion in contradistinction to Mr. De Rance's, that the greater the pumping the greater the subsidence?—Yes.

829. And you do not agree with the theory propounded in 1881 by Mr. De Rance as to the cause of this damage?—Certainly not.

Cross-examined by Mr. *Pember.*

830. How long have you known this district?—I should think about 22 years.

831. Did I hear that you were in the geological survey of the country?—Quite so.

832. I do not notice that any of the geological surveys that I have seen bear your name?—I am afraid that is your misfortune.

833. I have not asked without instruction, I assure you?—I do not quite know whether you have studied the maps of the Weald. You will see my name at the bottom of some of the maps.

834. Has not your work been revised a great deal?—About as much as the whole of the work of the old geological survey has been revised. The whole of it wants a good deal of revision.

835. I asked that question of a witness whom I had the pleasure of cross-examining, and he could not give me any information. I should like to ask you whether, so far as history can teach us anything, it does not teach us that these subsidences have been going on in past ages before brine pumping assumed anything like the serious importance that it has now?—No.

836. To take the instance that I put to Mr. Wells, what do you say as to the formation of Combermere?

Mr. *Pember*—continued.

Combermere?—I say that Combermere has nothing whatever to do with the question of this business.

837. Why?—You have asked me about history. The very first subsidence that is recorded is mentioned as having occurred near Combermere; that is to say, after Combermere was known. It has nothing to do with Combermere.

838. Does not that rather lead you to suppose that Combermere, situated as it is, may itself be the result of subsidence?—It may be, but we have no historical evidence that it has been.

839. What does Leland say in his "Itinerary" about the formation of Combermere?—Leland does not say anything at all about the formation of Combermere, except that this subsidence took place at Combermere.

Chairman.] We have had this before us from both witnesses. It is quite clear that Leland says that there was a considerable subsidence at Combermere, which shows that Combermere existed at the time.

Mr. *Pember.*

840. We shall read Leland, and I shall see what Leland says. We will suppose, if you will, that there was a depression of some size existing which was called Combermere. Having got rid of that great technical difficulty, did not the subsidence which is mentioned by Leland, involve a very large increase in the size of Combermere?—No, I do not know that there is any evidence to that effect. There is nothing in that statement which gives me that impression.

841. What about the formation of Witton Brook, near the Weaver; should you say that that was owing to the subsidence in the salt district; do you know the depression which is known as Witton Brook?—Do you mean a depression near Northwich?

842. Yes?—I think I have visited it, but I really cannot say for certain whether I have or not.

843. Would you answer me this question: the only source of water for the formation of the brine which is pumped out by the brine pumpers is the rainfall, is it not, that falls in the district?—Ultimately so.

844. And of course all that they can pump out in the shape of brine is water which has come upon the surface in the shape of rainfall?—Quite so.

845. Nature would get rid of that rainfall, would she not, if she were left to herself?—I suppose that Nature always has done so till the pumping entered into the matter.

846. So that all that the brine pumpers are doing, is doing, in an accelerated degree if you like, that which Nature would do if she were left to herself?—No; in the case of the rainfall the question of the mischief is a question which does not, I may say, depend wholly upon the rainfall; it depends upon the pumping.

847. I am sorry to say that I do not quite follow your phrase. You said that the mischief does not depend wholly upon the rainfall, but that it is the result of the pumping?—I am afraid I must have misunderstood your question.

Mr. *Pember*—continued.

848. I will ask it again; you admitted that Nature would get rid of the rainfall; I said, admitting that that is so, what does the pumper do more than to accelerate what Nature would do of herself if she were left to herself?—That rainfall would, in my opinion, for the most part flow over the surface of the ground.

849. At all events, all that there is now or ever was in the shape of brine must have gone through the ground?—No, the water gets through the ground, but you have, before you can establish your proposition, to prove that that ordinary rainfall water will force the brine out from the rock head.

850. What other water except that rainfall goes to the formation of the brine?—No water.

851. Then the pumper can only dispose of the rain water which Nature sends through the ground into the salt deposits?—He disposes of the water which falls upon the surface of the ground; but the more he pumps the more the general level of the water in the rock is lowered, and the more room there is for the water to get in from the clouds.

852. But surely Nature must have been getting rid of the water for herself, otherwise the whole of that part of Cheshire would be a swamp, choke full of water?—I do not see that. It flows over the surface.

853. It would not flow over the service until the water had risen to an enormous height?—As a matter of fact the holes and crannies in the rock are so small that even now a great deal of the water flows over the surface.

854. Then we should have expected to find in historical times, before the brine pumping went to such a great extent, large watercourses which we do not find now. Are there any such evidences?—I do not see that that is at all a fact.

855. Nature must have got rid of the water somehow, either by letting it percolate into the salt measures, and then disposing of it by some subterraneous channels, or else by letting it run off the surface.

Chairman.] I do not think so.

Mr. *Pember.*] Nature does not drink water, Sir, if you will excuse me for saying so.

Mr. *Leake.*] There is evaporation.

Chairman.] The water may run anywhere above the sea-level without going below it, and probably would do so. It would percolate through the soil till it came to some outburst above the sea-level.

Mr. *Pember.*

856. (*To the Witness.*) Is there any evidence of their having been, before pumping began, any such outbursts as that, any outlets for the water above the sea-level, such as the Chairman suggests?—Yes.

857. Where?—Springs are simply outlets.

858. Is there any evidence whatever that, during the last hundred or hundred and fifty years, the fresh water springs have diminished in volume?—I do not know that there is.

Chairman.] We have just heard that at Droitwich the supply from the wells has diminished.

Mr. *Pember.*

859. That is one single instance which is explained by two or three dry seasons, and the experience of which does not go back more than five or six years. (To the *Witness.*) Are these marls impermeable?—They are impermeable, but I am exceedingly glad that you have asked me that question. As a general matter, they are impermeable, but they are locally traversed by holes, crannies, and fissures through which the water can find its way freely downwards.

860. Should you regard the marls themselves as water-bearing strata?—Not taking the marls as a whole, but there are certain places in which they are water-bearing strata.

861. Do you know where those places are?—Yes, I can tell you one. There is one on the north side of the Mendip Hills from which Bristol at the present time is getting a large quantity of water.

862. I know that; do you know any other?—No.

863. Do you know any part of these marls in this district of Cheshire that would be what you call water-bearing strata from which you might get a supply for a town?—I know that the marls in the Cheshire district are locally shattered and broken to such an extent that it was thought not advisable to put a tunnel under the Weaver on account of their shattered condition.

864. The result of that would be that they would let the water through?—Quite so.

865. But do you know any instance in the Cheshire district of the marl which is a water-bearing stratum in the sense in which the marls outside Bristol are water-bearing strata?—No, I do not.

Re-examined by Mr. *G. A. R. FitzGerald.*

866. The more brine is pumped away the more fresh-water gets in at the top?—Quite so, locally.

867. If no brine were pumped can you suggest any reason at all why the water should get below the sea level?—No, I do not see any reason. In my opinion the water below the the sea level is as a rule stagnant.

Mr. *Leake.*

868. When nature was providing for the disposition of the rain water before the brine pumping occurred do you suppose that nature drove it over the rock salt and took away the rock salt?—I should like to say that of course there are the brine springs to which frequent allusion has been made; that is to say, the water sometimes in certain places would carry away a small amount of salt along with it, an infinitesimal amount.

Mr. *Story-Maskelyne.*

869. If it is nothing but rain-water that gets down, and I do not in the least mean to say that it is any other than the rain-water that falls over the area in the neighbourhood of these pumps, what is the extent of the area over which that rainfall takes place?—It is an exceedingly large area, over hundreds of square miles.

870. You say that it is only in certain places in the neighbourhood of those places where the lakes have been formed that the water gets in,

Mr. *Story-Maskelyne*—continued.

and that that is where the marls are permeable and where the water has got through the lower bed we will say of the marl?—I take it that the marls are locally fractured and broken, and that locally the water can get to the salt below.

871. What do you mean by "locally;" do you mean over the whole district?—I mean that in certain areas they are weaker than they are usually; and if there is an opportunity for the water to get in, caused by the abstraction of brine below, the water does get in.

872. But supposing that in the neighbourhood say of Northwich, there is a depressed area where this crunching of the marls has taken place, and drainage through follows, do you suppose that the rainfall from the very large circumjacent area collects into that place?—No, because there is not sufficient capacity to take anything like the amount of rainfall of that area.

873. But then the pumping that goes on is a very extensive pumping, and would pump a very considerable area of rainfall; what is the rainfall there, to begin with? Is it something like 30 or 34 inches?—It is somewhere between 24 and 30 inches.

Mr. *Pember.*] Thirty-two inches, I think it is.

Mr. *Story-Maskelyne.*

874. Call it 32 inches. Surely it would take a good deal of area to supply the amount of water that is pumped continually in brine?—So far as I can make out, the rainfall is the ultimate supply.

Chairman.] If you could tell us what relation there is between the quantity of rainfall over the district and the quantity of water that is taken away in brine, that might be useful.

875. Mr. *Story-Maskelyne* (to the *Witness.*)] There are two theories. One is that the water from this marl comes from the outcrop; the other is that it all comes from the local influx of rain water. One or the other or both may be true; as you are a great authority I want to get your opinion upon that point?—The subsidences, as has been proved, take place mainly along the lines of streams, or even along the line of a canal.

876. I asked that question the other day and I was told that it was not so?—Mainly it is so, and I take it that those surface streams and canals act as natural feeders to these various weak points.

877. And their flow is found to diminish beyond the point where you suppose that this insuck takes place?—I could not give you any direct evidence upon that point.

878. You said that you had studied the district and that you did not consider that there was any evidence of ancient subsidence along the outcrop; surely there are a number of old meres around the outcrop that must have been formed in the very way you have described, by the washing out of the salt?—Quite so; but the question was put to me whether I knew of any subsidence within the period of history; and these meres go back

to

Mr. *Story-Maskelyne*—continued.

to a period which is infinitely removed from history, thousands and thousands of years ago.

879. There must have been a long interval between, in which this sort of thing did not go on?—So far as the historical evidence goes there is not the slightest proof that any of the meres have altered in the slighest degree.

880. And no new meres have been formed?—No: and all the old meres belong to a remote geological period.

881. Then like Delamere, those are old meres which have not resulted from any geological change. Why do you think that in the interval the process has not been going on?—I think it very probable (but here we are merely entering into speculations), that these meres do represent the old outcrop of the salt, that they are the result of the natural abstraction of the salt along the line of the outcrop. But that process has stopped now, so far as I know.

882. Why has it stopped?—The only explanation that I can give (and it is a mere guess) is this: that a good deal of that abstraction of salt took place before the glacial period, before the great boulder clay time, and after Cheshire was cut up into hill and valley, and had been submerged underneath the water in which this clay was deposited, there was this clay covering a very large area, and I take it that the clay has to some extent sealed it up and prevented the opening going on.

883. In other words, you deny altogether that any of the water that you pump below comes from the outcrop?—I know of no evidence of that.

884. You deny the probability of it?—Yes.

885. I presume you would say that the dryness of the lower bed of the salt is an evidence that, at any rate, much water cannot be coming in from the outcrop?—I believe that as a matter of fact and experience no water has ever been met with on the lower rock salt.

886. That in fact, if there was any water coming in from the outcrop it would work along the lower bed of the salt?—Qute so.

887. With regard to this experiment of yours which is a very important one; you say that you tried some experiment with diffusion in a Wolff's bottle; but you did not make any quantitative, or time experiments?—No, unfortunately I had not time to do that.

888. But surely the experiment, unless you did that, has no scientific value at all, has it?—I think it has. It shows that the fresh water will flow freely over the brine.

889. We have the Amazon river, and other places, to prove that in a certain degree. It is purely a question of time?—It is a question of time, and a question of surface.

890. But surely the comparison of the two strata in a Wolff's bottle is not comparable in any way with the sort of result that would take place in a salt mine where the water would be continually percolating over a very large area of salt surface?—I think it shows at all events the fact that the fresh water has a tendency to flow over the salt water.

891. I do not suppose that anybody questions that?—I think it was questioned in the inquiry of 1881, and that experiment was specially addressed towards verifying that fact.

Mr. *Story-Maskelyne*—continued.

892. It is a scientific fact which nobody would doubt, that diffusion would gradully pass the salt water into the fresh water, and the fresh into the salt; but it is only a question of time and surface, is it not?—Quite so.

Chairman.

893. There is no doubt, I suppose, that so long as the rock salt was above the sea-level, the natural flow of the rain water would take it out of your brine springs and bear it away?—I think so; and I take it that that is the reason why, so far as I know, there is only place where it is above the sea-level now in this country.

894. You do not deny that in geological times even by diffusion, these small weak brine springs would have a certain amount of power in changing the face of the country?—It must have done a vast amount of work.

895. But you look upon it as an absurd theory with regard to recent formation?—Perfectly absurd. It is a matter of vast geological time against the short time of human experience.

Mr. *Story-Maskelyne.*

896. You do trace some connection between the subsidence and the pumping of recent years?—I can come to no other conclusion.

Mr. *Lyell.*

897. Have you studied the distribution of these meres in Cheshire?—Yes, I have done what I could in that direction.

898. Are those meres confined to the area of the Keuper marl in which salt exists or has existed?—Almost entirely so. I say almost entirely because there are some sheets of water which are called meres which are not in the red marl at all.

899. Some sheets of water bring over the outcrop of the lower strata of the sandstone?—Yes.

900. Can you give me instances?—I think there is one in the neighbourhood of Alderley. I am afraid I could not give you instances right off.

901. I have heard Ellesmere mentioned as lying also outside the area of the Keuper marl?—I have a map here, but I have not considered the point with regard to the distribution of the meres inside and outside of the Keuper area; I know that there are meres outside the Keuper are, but I did not think it of sufficient importance to enter minutely into that point.

902. The greater part of this Keuper marl is covered over with a considerable thickness of superficial deposits of sand and clay, is it not, which I suppose are water-bearing strata to a great extent?—The boulder clays are very impervious; they are stiff clays; the sands are exceedingly porous.

903. But in the aggregate they contain a great deal of rain water?—In the aggregate they contain a great deal of rain water.

904. Do you regard that then as the source of the water which may percolate through the marl to the salt below; are they reservoirs of water?

Mr. *Lyell*—continued.

—I think that the porous sands would act as reservoirs which would supply water, and of course the pervious clay would prevent the water getting in.

905. You spoke of the Keuper marl being freely broken up, and you said that though impervious as a general rule yet it might be regarded, where broken up, as the way in which a sufficient body of water could dissolve the salt below; is that merely an inference from what you have observed in a few isolated cases, or have you evidence to show that that is a general phenomenon over a considerable portion of the Keuper area, and that the breakage is sufficient to allow the passage of the large body of water which must fall down in order to produce the brine that is pumped up?—Of my own personal knowledge I have only seen it in one place, between Northwich and Frodsham along the line of the River Weaver; but in other parts of the country I have found the same local circumstances to obtain in South Wales, for instance, and in the area north of the Mendip Hills.

906. I think that you mentioned in answer to another question that when the fracture did occur, and water percolated down it was likely to increase the area of the channel and that the volume of water descending would be continually increasing in amount; or perhaps another witness spoke to that point?—Supposing that the water gets through the fissures to the rock salt and converts some part of the rock salt into brine, and flows away; then there will be a tendency for a cavity to be developed and the channel will enlarge; and by the gradual letting down you will have the fissures more and more developed, and a greater and greater tendency towards letting water in to form a further subsidence.

907. An increased faulting?—An increased faulting; a slipping down of the rock.

908. You do not think that as one witness put it, in the course of this slipping down the clay and the water, churned up together, would puddle the crack and make it impermeable?—I believe that in some cases there is evidence that that is actually the case, and at Northwich there is evidence that that actually has happened.

Mr. *Lyell*—continued.

909. With regard to the area under which the rock salt is now believed to exist, have you any distinct knowledge of what is the area in this Cheshire district under which rock salt may be found?—You have asked me a question which I should be exceedingly careful in answering. The current theory is that the greater part of the area of the marls in Cheshire is underlaid by rock salt; but on the other hand it is very possible that the rock salt occurs in lenticular layers, which are not to be looked upon as two great continuous sheets as they are generally considered to be. I think the matter is still to a large extent an open question.

910. But there are not sufficient borings at present to give you a sufficient idea?—No, I do not think so.

Chairman.

911. With regard to these outbursts of brine, would it not be your opinion that the fact that there was a sudden outburst of brine which lasted for a comparatively short time would point to a fall of roof, or some sudden cause, rather than the outburst from a reservoir which was above the point from which the flow took place?—I believe, as a matter of fact, that one of these outbursts to which allusion was made at Bradford Mill can be proved to have been directly following the tumbling out of the bottom of Marton Hole, so that that would be a sudden dropping.

912. And not only practically but theoretically it would arise from a sudden cause?—Certainly.

Mr. *Marshall.*] I propose now, Sir, to call Mr. Topley, especially with reference to two or three suggestions which have been made.

Mr. WILLIAM TOPLEY, F.R.S., sworn; Examined by Mr. *Marshall.*

913. YOU are a member of the Geological Survey of England and Wales, and you have been so for the last 29 years?—Yes.

914. And you are a Fellow of the Royal Society?—Yes.

915. And of the Geological Society?—Yes.

916. Have you heard the evidence which has been given by Professor Boyd Dawkins?—Yes.

917. Do you agree with that evidence?—Yes.

918. You have, I believe, visited Droitwich, and made an examination of what appears there in connection with the subsidences, and so forth?—I have.

919. It has been stated that the fresh water springs there have shown some decline during the last 10 years; have you formed any opinion as to whether that has been caused by dry weather or by any other cause?—So far as I could learn, it was on too extensive a scale to be accounted for by dry weather.

920. Then you do not concur in the suggestion that it has been caused simply by the dry weather of the last two or three years?—I think not; I think it is too much for that. If it were merely that I doubt if the local authorities there would be throwing up their waterworks and going to East Worcestershire for water as I understand they have decided to do.

921. Are you of opinion that both at Droitwich and in Cheshire the various subsidences have been and are still being caused by pumping?—I think so; I think that is very clear.

Cross-examined by Mr. *Lloyd.*

922. You know the Cheshire salt district pretty well, I believe?—Yes.

923. What do you say as to the marls; are they impermeable or not?—As compared with the sandstone, they are impermeable. Some marls are more impermeable than others. The marl between the upper and the lower rock bed seems to be much

Mr. *Lloyd*—continued.

much closer than the marl above the top rock bed. At Droitwich the marls are sufficiently permeable to let a good deal of water down.

Mr. *Story-Maskelyne.*

924. Which marls?—The marls at the water-works.

925. The upper or the lower marls?—You do not get the two beds of salt at Droitwich.

926. But you get the upper and the lower marls?—Not in the sense in which the term is used at Droitwich usually. It is all considered as Keuper marl, and you do not get an upper and a lower bed as you do at Northwich.

Mr. *Lloyd.*

927. Do you agree that it is the rainfall which causes the brine?—Mainly the rainfall; but since the subsidences have taken place, the ground has considerably fissured, and I should think that a very large amount of water is otherwise let down than would come down direcly as rain-falls.

928. And mainly the supply is rain water?—Directly or indirectly, it is rain water. The river water was rain water originally.

929. Where would you suppose that the main supply of the rainfall comes into contact with the rock-salt?—I think that the main supply is from the rainfall over the district which finds its way down through the small cracks and fissures of the marl through the upper marl. But there is a special point near Northwich where a greater amount of water can get in, and that is that the upper bed of rock-salt has been denuded in one place, and its place occupied by glacial deposits. This would enable the rain water and the water in the drifts to get much more readily into the salt.

930. Do you know that, as a fact, at Middlewich, the brine when left to its day's rest on Sunday rises to the surface?—Yes, that is quite likely.

931. How do you account for that; where is the pressure obtained?—It does not follow that there is a continuous porous sheet over the whole country. There are local causes, and the water may rise far more easily in one part than in another.

932. Can you suggest any reason why the brine rises to the surface in Middlewich unless as I suggest the supply of the brine is rainfall from the out-crop. That would account for it, would it not?—Yes, it would account for it in that special place, but you would have to apply the same reasoning to every other case.

933. Take any other you like. At Winsford it used to rise there till it was pumped down?—Yes, but now it is pumped down there are plenty of ways by which the water gets down.

934. You cannot eat your cake and have it?—No, but there are ways by which the water can easily get down, and which enable the water to attack the salt, and so do a large amount of damage.

935. Can you suggest to the Committee how it is that the brine used to rise at Winsford, and how it does rise still at Winsford, to the surface, unless the theory that the rainfall enters at the outcrop is the correct one?—I do not see that that follows at Winsford. If it did not come all the way from the outcrop the brine might still rise to the surface at the higher level.

Mr. *Lloyd*—continued.

Re-examined by Mr. *Balfour Browne.*

936. Because brine rises to the surface at Middlewich, that does not show that the water came originally from the outcrop, but only that it came from a higher level?—Certainly.

937. All that you want is head; and wherever the head came from, if there was a higher piece of land close to Middlewich that might raise the water to the surface at Middlewich?—Yes.

938. Where is the maximum action of the water upon the salt felt?—Where it first reaches the salt.

939. If it were from the outcrop which, as I understand, is a very large circle indeed, would you expect to find the subsidence confined to those patches that are marked on the map?—No, one would expect to find no subsidence there. One would expect to find it continuously going on at the outcrop.

940. Where as a fact it does not occur?—So far as we know, it does not.

941. As I understand, your view is that the marls are not impervious, and that the rain gets through them all?—To a certain extent it can get through them all.

Mr. *Story-Maskelyne.*

942. Your theory is that the pumping sucks as it were the surface rainfall down through the crevices in the marl?—Yes, and especially along certain lines, I think to some extent along the existing lines of the valleys. There the surface water is nearer the salt-bearing bed.

943. How do you explain the fact that the lower bed of salt in the Cheshire district is absolutely dry?—Because the marl is between the upper and lower beds of salt.

944. But supposing that they are sufficiently permeable to allow all the water to go in which is now pumped out there ought to be water enough, at any rate, to make some of these mines somewhat damp?—But the water does not much get through the intermediate marls.

945. It is out of the lower bed of salt at Nantwich that they are pumping?—I think that is the rock mining.

946. I mean in the neighbourhood of Northwich, they are pumping the lower bed?—I think it is mainly the upper bed that they are pumping.

Mr. *Balfour Browne.*

947. (Through the *Committee.*) Is it the fact that the subsidence is spreading out from the centre, and getting further away from the pumps?—The whole evidence seems to be in that direction, that the area of percolation is extending, and that where the water gets in and begins to dissolve the salt, there you get subsidence.

Chairman.] Could you get out before to-morrow morning a table of the rainfall in the district as compared with the quantities of water pumped out in brine?—I do not know that it would be of any great value, but we should like to see it.

Mr. *Balfour Browne.*] I have no doubt, Sir, that we can prepare such information, and we will have it put in a tabular form for to-morrow morning.

Mr. *Marshall.*] I only speak from memory, but I think Mr. Dickinson gives the rainfall at 640,000,000 tons, and the pumping of brine at about 6,000,000 tons.

Mr. *Story-Maskelyne.*] Over what area?

Mr. *Marshall.*] I am not quite sure.

Wednesday, 15th April 1891.

MEMBERS PRESENT:

Mr. Gainsford Bruce.
Mr. John Gathorne-Hardy.
Colonel Hill.
Mr. Leake.
Mr. Lyell.
Mr. Mather.
Mr. Story-Maskelyne.

THE HONOURABLE JOHN GATHORNE-HARDY, IN THE CHAIR.

Mr. *Pember.*] AFTER having carefully considered all the proceedings in this inquiry up to now, and having noticed what has transpired from yourself and other Members of the Committee, I do not intend to call any evidence on the scientific question.

Chairman.] I think you are very well advised.

Mr. *Pember.*] I must take leave at the same time to say that whatever may happen with regard to that matter I must not be supposed to have abandoned it as a thing which my clients consider untenable, in case it should become requisite at any future time to raise it; but, having regard to the way in which I am always glad to conduct my business if I can, with a view to what may be the mind of the Committee, I have come to that conclusion.

Chairman.] I hope you do not think that the Committee have behaved unfairly to you?

Mr. *Pember.*] I do not suggest that. I will merely say that I have come to that conclusion.

Chairman.] I am sure that the Committee are very much obliged to you and they all feel that you are very well advised in the course that you take.

Mr. *Pember.*] There is another thing I should like to settle before we go any further. I am the only opponent really to this Bill upon what we call preamble, others of course have got a position against the preamble, but I am the only opponent out and out against the Bill; everybody else asks for the Bill with some modification or addition; therefore, it would be fair that I should go last. I pointed that out to my learned friend Mr. Pope, who appeats for the North Western Company; he is the only one who leads me, and with whom, therefore, I did not want to have a discussion on the question of fairness. You know it is the practice on this side of the table for the leader at the bar to choose his own position; and therefore it is subject to my learned friend Mr. Pope being in that position, and he and I talked it over and Mr. Pope said that on one condition, which it is not necessary to mention here, he should be quite willing to waive any rights he had.

Mr. *Balfour Browne.*] My learned friend is really the only opponent of this Bill on preamble at all, and it seems to me that the better course would be instead of hearing all the opponents on preamble, that all the opponents except Mr. Pember's clients should reserve themselves until we come to clauses.

Mr. *Pember.*] I am certainly of that way of thinking, and I do not think that I am as a matter of fact breaking any confidence of my learned friend Mr. Pope, in saying that the London and North Western Company at all events have come to that conclusion.

Chairman.] It is perfectly clear that all these other opponents want the Bill, and something more.

Mr. *Pember.*] I see my learned friend Mr. Pembroke Stephens, in the room (I spoke to him on this topic this morning), and I cannot help saying to him that I think the proceedings would be very much simplified if he took his case on clauses.

Mr. *Pembroke Stephens.*] I desire from one point of view as warmly as anybody can, that the Bill should be passed. The only point is that it should be passed subject to proper conditions, and one of those undoubtedly is, I say, that a Bill which only provides it may be half compensation, or insufficient compensation at all events.

Chairman.] That is really clauses; you would not if you could now throw this Bill out.

Mr. *J. D. FitzGerald.*] The opposition on which my friend Mr. Kennedy, and I appear is an important opposition; it does not go to the whole Bill, but to this, that the Bill ought not to be passed except on certain conditions. Before giving up my right to be heard on the preamble, I should like to have an opportunity of conferring with my leader, Mr. Kennedy. It seems to me he should have an opportunity of addressing the Committee, and placing before the Committee the view which we take of the conditions on which the Bill should be passed, if at all.

Chairman.] How is it possible for the Committee to insert conditions if they do not pass the preamble?

Mr. *Pember.*] I will make this suggestion for the sake of peace among all. Could you not do this: hear the case on preamble, and if you come

to the conclusion that the preamble is not proved then there will be an end of the whole thing; but if on the other hand you thought it worth while to consider whether the Bill should pass subject to certain conditions, you could easily suspend the preamble until you had heard those points raised, and then pass the Bill or not, as you like.

Mr. *Balfour Browne.*] Following the practice of the House of Lords, and saying that the Bill may proceed, and that the Committee reserve the question of the preamble till afterwards.

Chairman.] That the preamble be postponed, in fact.

Mr. *Pember.*] I think that will be the best.

Mr. *Pembroke Stephens.*] That will satisfy us. I desire that the Bill should be passed, subject to conditions.

Mr. *Balfour Browne.*] Under these circumstances we do not propose to call any more scientific evidence. We propose to call other people before you, because there are some aspects of the case still to be presented to you.

Mr. *Pember.*] I have never denied the question of the actual subsidence.

Chairman.] We have to direct our attention to the legal question of interfering with what appears to be the common law, and the financial question of whether it is fair to put this tax on.

Mr. *Pember.*] Will you let me substitute "economic" for "financial"?

Chairman.] Yes.

Mr. *Balfour Browne.*] If my learned friend is going to dispute that economic aspect, I must still call some one. As to the law, of course evidence upon legal matters, my learned friend will address you, and if he brings forward any cases that have not been mentioned, I shall have a right to reply to those cases.

Chairman.] Of course there is the point as to the desirability of changing what appears to be the common law for the sake of certain districts, and so creating a precedent.

Mr. *Marshall.*] A question was asked yesterday as to the acreage of the rainfall as signed by Mr. Dickenson.

Chairman.] I asked that we should have a tabulated statement of the amount of rainfall in the district as compared with the quantities of water pumped out in brine.

Mr. *Marshall.*] On page 86 of the proceedings of 1881, in the Report you have before you, the quantity mentioned by Mr. Pember and put to Mr. Dickinson is 640 million tons; and then below the question was put by Mr. Pember: what acreage he assigned for that quantity, and he said 20 miles by 12.

Mr. *G. A. R. FitzGerald.*] We put in a table at the conclusion of the first day's proceedings on the understanding that it should subsequently proved, and now I propose to call Mr. Simmons to prove it.

Chairman.] That again is a scientific question.

Mr. *G. A. R. FitzGerald.*] Very well; then it will not be necessary for me to give a formal proof of it.

Mr. JAMES COWLEY, sworn; Examined by Mr. *G. A. R. FitzGerald.*

948. You are clerk to the Northwich Local Board?—Yes.

949. How long have you held that office?—Twenty-seven years.

950. You could, of course, give evidence of a very large amount of cases of subsidence and of damage within your own knowledge if required?—A great many.

951. That is not contested, and I only propose to refer you to the one case of subsidences in Tabley-street, which is a case, is it not, of injury to small property?—It is so.

952. Is that the case also with Leicester-street?—Yes; with Leicester-street also; both streets are similar in that respect.

953. What description of property do you find in the those streets?—In Tabley-street and Leicester-street the majority of the houses have been erected by watermen out of their own savings, and a great portion of them assisted by the building societies.

954. That is the point you wish to put, is it not?—That is the point I wish to put. The houses in those streets are in a most deplorable condition, and parties who have lived in them all their life are obliged to leave them.

955. The point that you wish to emphasise is the loss occasioned to these small people?—Yes.

956. As long ago as 1875 was there an application from Northwich to the Local Government Board, asking for a Royal Commission?—Yes.

957. And in 1878, I believe, there was a joint deputation with Winsford?—Yes.

958. In 1879 there was again correspondence, was there not, with the Local Government Board?—Yes.

959. And did you receive a reply from the Board suggesting special legislation?—Yes; that has always been the advice of the Local Government Board.

960. Has that been the result for the last ten or fifteen years of your communications with the Local Government Board?—The subsidences had become so serious that I, as clerk to the Board, thought it my duty to relieve myself of any responsibility, and also to relieve the Board of any responsibility; and I communicated with the Local Government Board, pointed out what was going on, and asked for their advice under the circumstances. The reply has always been that it was a matter for legislation, and that they could not advise that there was any responsibility resting upon the Board.

961. Has that been their reply throughout, that it is a matter for special legislation?—It has.

962. I have one letter here out of which I will just

Mr. *G. A. R. FitzGerald*—continued.

just put a short passage to you; I have the letter of the 4th of September 1879, in which they say that "It is quite clear that the Board have no means of remedying the mischief complained of by the exercise of any powers which they possess, and the President can only suggest that the several local authorities and persons whose property is subject to injury by the works in question should by concerted action endeavour to obtain a local Act, securing to them compensation for the damage which they sustain." That was in 1879, and the result of your most recent application has been precisely the same?—Yes.

963. After the Bill of 1881 people, I suppose, were rather disappointed at its failure?—Yes; upwards of 3,000 *l.* was spent, and the inhabitants got quite disheartened.

964. Mr. Mond gave evidence in favour of that Bill?—Yes.

965. And the present Bill is backed by Mr. Brunner, who, as we know, is another member of the same firm?—Yes. We applied to the Local Government Board after the failure to get the 1881 Bill; the matter remained in abeyance for some years; then the subsidences became so serious, the main roads going down without any intimation at all, horses disappearing, and so on, and I know a case in the Wheat Sheaf-yard where a company of Volunteers were drilling, and they had only just passed over a certain portion of the yard and it immediately went in and a cavity was formed; had they been two minutes later they would have fallen into it.

966. Had you a meeting of property owners in December 1888?—Yes.

967. Was there then a requisition to your Chairman asking that a meeting should be summoned to consider an application for a Royal Commission again?—A requisition was presented to Mr. Clough, as chairman of the local board, to call a meeting of owners and ratepayers for the purpose of considering the desirability of presenting a memorial to the Local Government Board to grant a Royal Commission.

968. And without taking you through the succeeding steps, was there a deputation to the Local Government Board supporting an application for a Royal Commission?—Mr. Ritchie consented to receive a deputation from the Winsford Board and the Northwich Local Board. That deputation was accompanied by the Duke of Westminster, Lord Egerton, and Lord de Tabley.

969. Just give us the date of that; was it August 1889?—Yes.

Mr. *Pember.*] I think this is common knowledge; I think the Committee all know it. Really it is only from a wish to save time that I interpose.

Mr. *Story-Maskelyne.*] We have not it in evidence, I think; it was only stated in the speech, I think.

Witness.] There is one other important fact connected with that deputation; 100 Members of Parliament supported the memorial to the Local Government Board.

Mr. *G. A. R. FitzGerald.*

970. Then this application to Parliament is in effect in accordance with the last recommendation you received from the Local Government Board?—Yes; Mr. Ritchie advised a compromise; we did all we could to bring that about; we could not bring it about; we went again to Mr. Ritchie and asked him to receive a further deputation, and he said No, he could not see that any good would result from that, as it was a matter for legislation.

971. Then you communicated with the Salt Union, and received the letter which was read by Mr. Balfour Browne?—Yes.

972. And you also communicated with Brunner and Mond, and received from them a reply, of which, I think, my learned friend Mr. Balfour Browne read a portion?—Yes.

973. The result being that Brunner and Mond were willing to contribute, but that the Salt Union saw their way to taking something or other into consideration?—Brunner and Mond have always been in favour of compensation, and at the last annual meeting but one of the Salt Union, Lord Thurlow distinctly stated that he was himself favourable to compensation, and they were quite willing to take the matter up according to the present powers, but they objected to this kind of legislation.

974. Do you know what the capital of the Salt Union is?—Four millions, I think.

975. And Brunner and Mond also is a very large affair?—Yes.

976. Are you able to say that generally the price of salt at the present time has been as I think we have already heard, increased?—The Salt Union do not sell to the purchaser direct. The salt is sold by distributors so that the Salt Union make no bad debts. Formerly, before the formation of the Salt Union, we were able to beg as much salt, perhaps, as we wanted for street purposes. In the month of January during the frost, the surveyor found it necessary to get a little salt and put it round the fire hydrants so as to keep them in working order. I have a claim for salt "January the 18th, soiled salt, 5 cwt., at the rate of 48 *s.* per ton."

Mr. *Pember.*

977. Who is that from?—From Mr. Thompson.

978. Who is Mr. Thompson?—A salt distributor in Northwich.

Mr. *Mather.*

979. He is a middleman, you mean?—Yes.

Chairman.] Of course the Salt Union is not responsible for that.

Mr. *Pember.*] That is a vendor of salt, I suppose.

Mr. *G. A. R. FitzGerald.*

980. These distributors you speak of are distributors, are they not, for the Salt Union?—Yes.

981. And the two and a-half per cent. is commission?—Yes.

Mr. *Mellor.*

982. Did you buy salt in like manner before the Union was formed?—No, they gave it.

Mr. *Mellor*—continued.

983. These are not middlemen in the ordinary sense of the term, but they are agents of the Salt Union?—That is my view of it.

Chairman.

984. You mean that the get a commission?—Yes.

Mr. *G. A. R. FitzGerald.*] I propose if my learned friend has no objection to put in——

Mr. *Pember.*] Before that is accepted I must know where I am. The witness in the box happened to overhear me say to my clients, "You are treating this matter rather lightly; it appears to be the case on the part of the Salt Union that they charge 48 *s.* a ton for salt," whereupon the witness breaks out, "I do not say it is a claim from the Salt Union. I say it is Mr. Thompson's claim"; either that is a claim on the part of the Salt Union, or it is not; if it is not, what has it to do with this Bill?

Chairman.

985. Does Mr. Thompson buy from the Salt Union and sell for his own profit, or sell for them at a commission?—I believe he sells for the Salt Union under a rule, or under some arrangement.

Cross-examined by Mr. *Pember.*

986. Do you know, for instance, if that bill is sent in to you at a price of 48 *s.* a ton for salt, whether that is a price fixed by the Salt Union, or do not you know that?—No, I do not, of my own knowledge.

Chairman.] If he does not know what the facts are it is not worth while going into it.

Mr. *Pember.*] Of course I can easily understand that a little dealer in salt if he had gone and bought salt at 6 *s.* or 7 *s.* a ton, in the middle of that frost might have said to a purchaser, "You shall not have it under 48 *s.*"

Mr. *G. A. R. FitzGerald.*] Now I propose to put in the report and the balance-sheet of the Salt Union for the year ending 31 December 1889, and the report and balance-sheet for the year ending 31 December 1890; and I propose also to put in the report of the directors of Brunner Mond and Company for the nineteenth and twentieth half-yearly meetings. What I want to go on the Notes in the case of the Salt Union is the balance-sheet for the year ending 31 December 1890, and the profit and loss account for the year ending 31 December 1890. They are the two last pages of the report; and in the case of the report for the year ending 31 December 1889 I want the last page of the report of 1890; it is only one page, and gives the same information. In the case of Brunner, Mond and Company I want the report for the two last half-years.

[*The following are the Balance Sheets, &c., put in by Mr. G. A. R. FitzGerald*]:

SALT UNION, LIMITED.

Dr. BALANCE SHEET, 31st December 1889. *Cr.*

	£. s. d.	£. s. d.		£. s. d.	£. s. d.
To Share Capital:			By Freehold, Copyhold, and Leasehold Properties and Works, Machinery and Plant and Goodwill, in Cheshire, Worcestershire, Durham, Staffordshire, and Antrim		3,384,632 1 8
100,000 7 per cent. Preference Shares of 10 *l.* each, fully paid	1,000,000 – –		„ Expenditure on New Works		18,840 13 8
200,000 Ordinary Shares of 10 *l.* each, fully paid	2,000,000 – –		„ Surplus Freehold Estates		90,700 – –
		3,000,000 – –	„ Fully-paid Shares in other Salt Companies		114,038 – –
„ First Mortgage 4½ per cent. Debenture Stock, fully paid		1,000,000 – –	„ Steamers, Barges, Flats, and Appliances		190,392 19 5
„ Sundry Creditors		101,205 8 4	„ Rolling Stock		133,127 4 6
„ Profit and Loss	368,512 10 –		„ Office Furniture in Head and District Offices		1,626 1 11
„ *Deduct* Debenture Interest and Interim Dividends	192,457 7 10		„ Stocks of Salt, Fuel and Material		73,782 16 11
		176,055 2 2	„ Sundry Debtors		123,418 2 3
			„ Bills Receivable		3,964 10 6
			„ Cash at Bankers on Current and Deposit Accounts	£.141,738 – 8	
			„ Ditto in Hand	999 19 5	
					142,738 – 1
	£.	4,277,260 10 6		£.	4,277,260 10 6

Dr. BALANCE APPROPRIATION ACCOUNT. *Cr.*

	£. s. d.		£. s. d.
To Dividends:		By Balance of Undivided Profit, as per Balance Sheet	176,055 2 2
For the Half-year ended 31st December 1889, viz.:			
At rate of 7 *l.* per cent. per annum on 100,000 Preference Shares of 10 *l.* each	35,000 – –		
At rate of 10 *l.* per cent. per annum on 200,000 Ordinary Shares of 10 *l.* each	100,000 – –		
	135,000 – –		
„ Reserve Fund	40,000 – –		
„ Balance carried forward to next Year's Account	1,055 2 2		
	£. 176,055 2 2		£. 176,055 2 2

PROFIT AND LOSS ACCOUNT, for the First Financial Period, ended 31st December 1889.

Dr. *Cr.*

	£. s. d.		£. s. d.
To Maintenance of Plant	61,336 8 9	By Gross Profit on Salt, Fuel, and Brine Sales	474,990 7 3
„ Administration Expenses	27,214 9 11	„ Profit as Carriers	46,287 3 4
„ Distributors' Commissions	24,711 4 9	„ Sundry Trading Profits	1,312 8 10
„ Directors' Fees, Travelling Expenses, &c.	9,594 17 4	„ Rents Receivable	29,573 6 10
„ Rents Payable	41,580 – 9	„ Interests, Discounts, Dividends, and Transfer Fees	10,804 14 5
„ Royalties, Retaining Fees, and Wayleaves	8,532 8 2		
„ Rates and Taxes	6,713 19 4		
„ Estates' Maintenance and Rates	2,219 3 7		
„ Bad Debts	6 11 6		
„ Law Charges and Stamp Duties in connection with Purchase of Properties, and other Preliminary Expenses—proportion written of this year	18,546 6 7		
„ Balance, carried to Balance Sheet	368,512 10 –		
	£. 562,968 – 8		£. 562,968 – 8

J. M. Fells, Superintending Accountant.

We have examined the above Balance Sheet and the Profit and Loss Account for the period, from the incorporation of the Union to 31st December 1889, and find the same correct. The first undersigned have attended and examined the Accounts at the offices in London, Worcestershire, and Durham; and the second undersigned at the offices in Cheshire and Staffordshire.

Cooper Brothers & Co., London,
Harmood, Banner, & Son, Liverpool, } Auditors.

18 February 1890.

SALT UNION, LIMITED.

Dr. BALANCE SHEET, 31st December 1890. *Cr.*

	£. s. d.	£. s. d.		£. s. d.	£. s. d.
To Share Capital:			By Freehold, Copyhold and Leasehold Properties and Works, Machinery and Plant and Goodwill, in Cheshire, Worcestershire, Durham, Staffordshire, and Antrim	– – –	3,365,408 – 4
100,000 7 per cent. Preference Shares of 10 *l.* each, fully paid	1,000,000 – –		„ Expenditure on new Works during the year	– – –	13,963 4 8
200,000 Ordinary Shares of 10 *l.* each, fully paid	2,000,000 – –		„ Charges in connection with Purchase of Property and other preliminary Expenses	50,185 6 2	
		3,000,000 – –	„ *Less*,—Amount written off this year	12,546 6 7	
„ First Mortgage 4½ per cent. Debenture Stock, fully paid	– – –	1,000,000 – –			37,638 19 7
„ Reserve Fund	– – –	40,000 – –	„ Surplus Freehold Estates	– – –	90,830 13 4
„ Sundry Creditors	– – –	18,777 15 1	„ Fully Paid Shares in other Salt Companies	– – –	116,128 – –
„ Profit and Loss—			„ Steamers, Barges, Flats and Appliances	– – –	183,639 17 10
Amount brought forward from last Account	1,055 2 2		„ Rolling Stock	– – –	132,170 12 4
Profit for the year 1890	306,447 – 9		„ Furniture in Head Office and District Offices	– – –	1,597 4 4
	307,502 2 11		„ Stocks of Salt	– – –	51,069 16 11
Deduct, Debenture Interest for the year £. 45,000 – –			„ Stocks of Fuel and Material	– – –	47,957 5 7
Interim Dividends 95,000 – –			„ Sundry Debtors	– – –	104,645 12 1
	140,000 – –		„ Bills Receivable	– – –	2,204 6 1
		167,502 2 11	„ Cash at Bankers on Current and Deposit Accounts	177,338 18 2	
			„ Ditto in Hand	1,597 6 9	
					178,936 4 11
	£.	4,326,279 18 –		£.	4,326,279 18 –

Dr. BALANCE APPROPRIATION ACCOUNT. *Cr.*

	£. s. d.		£. s. d.
To Dividends:		By Balance of Undivided Profit, as per Balance Sheet	167,502 2 11
For the half year ended 31st December 1890, viz.:			
At rate of 7 *l.* per cent. per annum on 100,000 Preference Shares of 10 *l.* each	35,000 – –		
At rate of 8 *l.* per cent. per annum on 200,0000 Ordinary Shares of 10 *l.* each	80,090 – –		
	115,000 – –		
„ Reserve Fund	50,000 – –		
„ Balance carried forward to next year's Account	2,502 2 11		
	£. 167,502 2 11		£. 167,502 2 11

PROFIT AND LOSS ACCOUNT,

Dr. For the Year ended 31st December 1890. *Cr.*

	£. s. d.		£. s. d.
To Maintenance of Plant	69,001 5 6	By Gross Profit on Salt, Fuel, and Brine Sales	440,719 14 5
„ Administration Expenses	31,303 5 2	„ Profit as Carriers	33,060 4 9
„ Distributors' Commission	36,541 1 9	„ Sundry Trading Profits	2,547 7 3
„ Fees and Travelling Expenses of Directors	8,545 12 2	„ Rents Receivable	27,845 9 3
„ Auditors' Fees, 1889 and 1990	630 – –	„ Interests, Discounts, Dividends, and Transfer Fees	20,027 4 1
„ Rents payable	37,839 11 11		
„ Royalties, Retaining Fees and Wayleaves	9,862 18 6		
„ Rates and Taxes	6,630 15 11		
„ Estates' Maintenance and Rates	2,022 8 3		
„ Bad Debts, and provision therefore	91 14 2		
„ Law and Parliamentary Expenses	3,437 19 1		
„ Law Charges and Stamp Duties in connection with purchase of Properties, and other Preliminary Expenses; proportion written off this year	12,546 6 7		
„ Balance carried to Balance Sheet	306,447 – 9		
£.	524,199 19 9	£.	524,199 19 9

J. M. Fells, Superintending Accountant.

We have examined the above Balance Sheet and Profit and Loss Account, and find the same correct. The first undersigned have attended at the Offices in London, Stoke Prior, and Middlesbrough, and examined the Books and Accounts of the Head Office, and of the Worcestershire, Durham, and Irish Districts; and the second undersigned have attended at the Offices in Cheshire, and examined the Books and Accounts of that, and the Staffordshire Districts.

Cooper Brothers & Co., London,
Harmood, Banner & Son, Liverpool, } Auditors.

BRUNNER, MOND & CO. LIMITED, WINNINGTON, NORTHWICH.

REPORT of the DIRECTORS to be submitted to the Shareholders at the Nineteenth Half-yearly Ordinary General Meeting of the Company, to be held at the Law Association Rooms, 4, Cook-street, Liverpool, on Monday, the 18th day of August.

The Balance Sheet and Profit and Loss Account, certified by the Auditors, and now presented, show a balance to the credit of Profit and Loss Account on the working of the half-year ended on the 30th June 1890, of 129,691 *l.* 19 *s.* 1 *d.*, which, with the amount of 13,305 *l.* 16 *s.* 11 *d.*, brought forward from the previous half-year, makes a total of 142,997 *l.* 16 *s.*

The Directors propose to deal with the above balance as follows:—	£.	s.	d.
Dividend on the Preference Capital, at 7 per cent. per annum	12,035	6	9
Dividend on the Ordinary Capital at 30 per cent. per annum	88,125	–	–
Amount to be written off Patents Account	2,500	–	–
Amount to be placed to Suspense Account	20,000	–	–
Balance to be carried forward	20,337	9	3
	£. 142,997	16	–

The Directors propose again to place to Suspense Account a sum of 20,000 *l.*

Resolutions with regard to the mode and the amount of the remuneration to be paid to Mr. Edward Milner, Dr. David Basil Hewitt, and Mr. Gustav Jarmay, who are Directors of the Company, for services other than those ordinary Directors, will be submitted to the General Meeting for approval.

The Directors recommend to the Shareholders that Mr. Thomas Hungerford Forgan, who has been Secretary of the Company since its formation in 1881, shall be elected a Director, and, in case of his election, a resolution, similar to the foregoing, with regard to the mode and amount of his remuneration, will be submitted for approval.

Should Mr. Forgan be elected a Director, the Directors intend to appoint Mr. Frederick William Brock as Secretary of the Company.

The Auditors retire, but are eligible for re-election.

Winnington, Northwich, 7 August 1890. *John Crossfield*, Chairman.

BALANCE SHEET, 30th June 1890.

PROPERTY AND ASSETS.	£. s. d.	£. s. d.
Freehold Land, Houses, Waterworks, Brine Shafts, Pumping Stations, and Salt Works	211,445 17 9	
Additions this half-year	18,560 11 –	
	230,006 8 9	
Less,—Amount written off	2,500 – –	
		227,506 8 9
Alkali Works at Winnington and Sandbach	624,343 6 4	
Additions this half year	24,100 16 6	
		648,444 2 10
Premium on 22,500 New Ordinary Shares, at 10 *l.* per Share	225,000 – –	
Less,—5 *l.* per Share called and paid	112,500 – –	
		112,500 – –
Investments		65,061 8 6
Patents Account	114,204 14 11	
Less,—written off	91,058 2 11	
		23,146 12 –
Stocks on hand—Materials, Steamers, Barges, Rolling Stock, and Products		141,574 – –
Debts owing to the Company		110,171 2 7
Cash in Bank and in hand		45,438 4 11
	£.	1,373,841 19 7

CAPITAL AND LIABILITIES.	£. s. d.	£ s. d.
Capital :—		
Nominal Capital, 1,500,000 *l.* in 150,000 Shares of 10 *l.* each.		
Issued, Preference, 35,000 Shares, fully paid	350,000 – –	
Issued, Ordinary, 47,500 Shares fully paid	475,000 – –	
Issued, Ordinary, 22,500 Shares, 5 *l.* per Share paid	112,500 – –	
Issued, Preference, 10,000 Shares, paid on account	57,161 – –	
		994,661 –
Reserve Fund	130,250 – –	
Premium paid on account of 10,000 New Preference Shares, allotted at 4 *l.* per Share Premium	22,130 – –	
		152,380 – –
Suspense Account	42,842 1 7	
Less,—Renewals of Plant	16,438 1 3	
		26,404 – 4
Debts owing by the Company		57,399 3 3
Profit and Loss Account Balance		142,997 16 –
	£.	1,373,841 19 7

PROFIT AND LOSS ACCOUNT, for the Half-year ending 30th June 1890.

	£. s. d.	£. s. d.
To Directors' and Office Salaries and Auditing	5,896 8 8	
„ General Charges and Income Tax	5,478 5 5	
„ Bad and Doubtful Debts	100 10 5	
„ Balance	129,691 19 1	
	£. 141,167 3 7	
By Gross Profits		138,496 3 4
„ Rents		2,652 17 9
„ Transfer Fees		18 2 6
	£.	141,167 3 7

	£ s. d.	£. s. d.
By Balance brought down, being Profit this half-year	129,691 19 1	
By Balance from last half-year £. 13,805 16 11		
Less,—Directors' Fees for Dec. half-year, 1889 500 – –		
	13,305 16 11	
		142,997 16 –

REPORT of the Auditors.

We beg to report that we have examined the Books and Vouchers of the Company, and we certify that the the above Balance Sheet to 30th June 1890 exhibits a correct view of the Company's affairs. As regards the Valuation of Stocks, we have relied on the figures appearing in the books. Any information or explanations required have been promptly given.

T. W. Read & Co.,
Chartered Accountants.

Liverpool, 7 August 1890.

BRUNNER, MOND & CO. LIMITED, WINNINGTON, NORTHWICH.

REPORT of the DIRECTORS to be submitted to the Shareholders of the Twentieth Half-yearly Ordinary General Meeting of the Company, to be held at the Law Association Rooms, 14, Cook-street, Liverpool, on Thursday, the 19th day of February 1891.

The Balance Sheet and Profit and Loss Account, certified by the Auditors, and now presented, show a balance to the credit of Profit and Loss Account on the working of the half-year ended on the 31st December, 1890, of 154,517 *l.* 8 *s.* 3 *d.*, which, with the amount of 19,837 *l.* 9 *s.* 3 *d.*, brought forward from the previous half-year, makes a total of 174,354 *l.* 17 *s.* 6 *d.*

The Directors propose to deal with the above balance as follows:—

	£. s. d.
Dividend on the Preference Capital, at 7 per cent. per annum	14,986 17 2
Dividend on the Ordinary Capital, at 40 per cent. per annum	117,000 – –
Amount to be written off Patents Account	2,500 – –
Amount to be placed to Reserve Fund	28,829 – –
Balance to be carried forward	10,539 – 4
	£. 174,354 17 6

The above amount of 28,829 *l.* carried to Reserve Fund, will raise it to 200,000 *l.*

The Directors who retire by rotation are Dr. Hewitt, Mr. Jarmay, and Mr. Coghill, all of whom are eligible for re-election.

The Auditors retire, but are eligible for re-election.

Winnington, Northwich, 10 February 1891. *John Crosfield*, Chairman.

BALANCE SHEET, 31st December 1890.

PROPERTY AND ASSETS.	£. s. d.	£. s. d.
Freehold Land, Houses, Waterworks, Brine, Shafts, Pumping Stations, and Salt Works	227,506 8 9	
Additions this half-year	4,697 5 9	
		232,203 14 6
Alkali Works at Winnington and Sandbach	648,444 2 10	
Additions this half-year	34,010 8 2	
		682,454 11 –
Premium on 22,500 New Ordinary Shares, at 10*l.* each per Share	225,000 – –	
Less,—5 *l.* per Share called and paid	112,500 – –	
		112,500 – –
Investments		84,694 12 7
Patents Account	125,363 18 5	
Less,—written off	93,558 2 11	
		31,805 15 6
Stocks on hand: Steamers, Barges, Rolling Stock, Materials, and Products		149,054 – –
Debts owing to the Company		159,395 13 3
Cash in Bank and in hand		57,165 6 11
	£.	1,509,273 13 9

CAPITAL AND LIABILITIES.	£. s. d.	£. s. d.
Capital:		
Nominal Capital, 1,500,000 *l.*, in 150,000 Shares of 10 *l.* each.		
Issued, Preference, 45,000 Shares, fully paid	450,000 – –	
Issued, Ordinary, 47,500 Shares, fully paid	475,000 – –	
Issued, Ordinary, 22,500 Shares, 5 *l.* per Share paid	112,500 – –	
		1,037,500 – –
Reserve Fund	152,380 – –	
Balance of Premium on 10,000 New Preference Shares	17,870 – –	
Profit on change of Investments	921 – –	
		171,171 – –
Suspense Account	46,404 – 4	
Less,—Renewals of Plant	6,608 2 –	
		39,795 11 4
Debts owing by the Company		86,451 17 11
Profit and Loss		174,354 17 6
	£.	1,509,273 13 9

PROFIT AND LOSS ACCOUNT, for the Half-Year ending 31st December 1890.

	£. s. d.		£. s. d.
To Directors' and Office Salaries and Auditing	7,959 6 5	By Gross Profits	161,958 3 3
„ General Charges and Income Tax	6,009 17 2	„ Rents	3,341 16 6
„ Bad and Doubtful Debts	68 17 11	„ Transfer Fees	15 10 –
„ Balance	154,517 8 3		
£.	168,555 9 9	£.	168,555 9 9

	£. s. d.	£. s. d.
By Balance brought down, being profit this half-year	154,517 8 3	
„ Balance from last half-year	£.20,337 9 3	
Less,—Directors' Fees for June half-year, 1890	500 – –	
	19,837 9 3	
		174,354 17 6

REPORT of the Auditors.

We beg to report that we have examined the Books and Vouchers of the Company, and we certify that the above Balance Sheet to 31st December 1890 exhibits a correct view of the Company's affairs. As regards the Valuation of Stocks, we have relied on the figures appearing in the books. Any information or explanations required have been promptly given.

T. W. Read & Co.,
Chartered Accountants.

Liverpool, 10 February 1891.

Further cross-examined by Mr. *Pember*.

987. Now may I ask, to take the last matter first, what is it you prove by handing in these balance-sheets of the Salt Union; I have nothing to do with Brunner, Mond and Company; they are not my clients. What do you think you prove?—That they are making a great profit.

988. It is a trade concern; where should you say that a great profit on a trade concern began. Give me what you call a small dividend, and give me a moderate dividend, and then give me a great profit?—That is not in my province.

989. Should you call 7½ per cent. a great profit on a trading concern?—I should call 7½ per cent., and carrying a large amount to the reserve fund, making a great profit.

990. Now 7½ per cent. is the dividend for the whole year, 7 per cent. for one half year, and 8 per cent. for the other half year; on a capital of over four millions they carry to a reserve fund 50,000 *l.*, and leave 2,000 *l.* balance; is that such a great sum?—In the case of the Salt Union it is.

Mr. *Pember*—continued.

991. Why in that case any more than in the case of anybody else?—Before, they had to pay interest on a very large sum of capital which is comparatively dead.

992. It is alive to the extent of paying 7½ per cent.; what do you call "dead"?—In my opinion they had to pay a very great sum of money for property which is no use to them.

993. I suppose they are fairly shrewd people who know their business?—Some of the property is not in existence now.

994. They are fairly shrewd people who know their business?—Well, they are supposed to be, whoever formed the Company.

Mr. *Leake*.

995. Do you mean that the dividend is paid on capitalised profits; in the capital of the Company is there not something for prospective profit capitalised?—Yes.

996. Then it is a dividend upon dividends prospectively?—Yes.

997. How

Mr. *Pember.*

997. How can he know, with the greatest possible submission. (To the *Witness.*) Are you a member of the Salt Union?—No.

998 They have bought certain properties at values which they thought sufficient; you do not suppose they gave more for them than they thought they were worth, do you?—I do believe that they gave more for them, and that they would not give it again if they had the chance.

999. That may be your opinion?—I am quite sure if you had the opportunity of seeing the property you would be of the same opinion.

1000. Your surety is not well-founded, for I have no notion of the value of a salt property. Now what is the rateable value of Northwich?—The rateable value of the local board district for district rate purposes is about 37,000 *l.* and for poor rate purposes 40,000 *l.*

1001. What was it 10 years ago?—About 35,000 *l.* perhaps.

1002. That compares with the 40,000 *l.*?—No, the 35,000 *l.* would compare with the 37,000 *l.*

1003. Do you get that from figures, or is it merely memory?—I am speaking now from memory.

1004. Have you got any figures in the room?—No, not in the room.

1005. At all events, it is increased in the last 10 years?—It is increased, certainly.

1006. There has been no change in the district, geographically?—A very great one.

1007. I was not talking of whether any part of it had subsided; I meant you have not extended your bounds?—No.

1008. Property is constantly changing hands, I suppose?—No, not constantly.

1009. It very frequently changes hands?—I do not say that it frequently changes hands. It must change hands in the ordinary way.

1010. You were asked some question about the price of salt, and the Chairman intervened with the fact that the price of common salt has already been proved. Do not you know that the great bulk of the salt sold manufactured by the Salt Union is what is called common salt?—Yes.

Mr. *Pember.*

1011. Would you mind, Sir, my asking him, partly to refresh my own memory and partly to found a question on it, what is the present price of common salt? (To the *Witness.*) Perhaps some of your friends could just give you a copy of the price list?—I know that in 1880-81 the selling prices ranged from 5 *s.* 6 *d.* to 11 *s.* 6 *d.* a ton; the prices now, so far as the Salt Uniom is concerned, are 7 *s.* and 35 *s.*

1012. Do you know the neighbourhood well enough to know whether or not since the Salt Union started a great many independent brine pumpers have set up?—Not set up; they have attempted to do.

1013. What do you mean by "attempted to do?" Is there no one else pumping in these neighbourhoods now except the Salt Union?—No, except Brunner, Mond and Company.

1014. But I am told there are a great many independent pumpers?

Chairman.] Certainly, one of the Witnesses said so; Mr. Ward said so.

Mr. *Pember.*] How do you reconcile that with the statement of Mr. ——

Mr. *G. A. R. FitzGerald.*

1015. (To the *Witness.*) You are referring to the Northwich district alone?—Yes, to the Northwich district.

Cross-examined by Mr. *Mellor.*

1016. I will ask you a few questions on behalf of the Winsford Local Board You are the clerk to the Northwich Local Board?—Yes.

1017. And I believe you gave evidence in favour of the Bill in 1881?—Yes.

1018. And that Bill proposed to split Cheshire up into four districts, and those were the Winsford, Northwich, Middlewich, and Sandbach?—Yes.

1019. I believe about a month ago a resolution was passed by the Northwich Local Board to this effect: "Resolved, that the feeling of this meeting of the joint committee of the Northwich Local Board and property owners is that the boundaries of the compensation district, suggested by the Bill of 1881, would be satisfactory to them; and this meeting has no desire that damage which can be shown to be attributable solely to pumping at Northwich shall be a charge on Winsford or any other centre, and *vice versâ*"?—That resolution was not passed by the Board.

1020. Mr. Fletcher is the solicitor to the Northwich Local Board?—He is the solicitor promoting this Bill.

1021. Then was not this resolution in fact passed by the local board and the property owners?—We had a conference with the owners of property and representatives from Winsford, at Northwich, and a proposition was made then as to districts. Then a meeting of the Parliamentary committee, appointed by the local board, and the Parliamentary committee appointed by the property owners in Northwich was held, and the resolution read was adopted at that joint meeting.

1022. I understand you to say it was adopted by the Parliamentary committee of the local Board?—A joint committee.

1023. Was it adopted by the Parliamentary committee of the local board?—Jointly, with the property owners.

1024. Was not that resolution afterwards confirmed by the local board itself?—No.

1025. Did the local board repudiate it?—They never heard anything about it.

1026. Now, how great is the distance between the most northerly pump in the Winsford district; that orange cross on the green there, and the most southern pump in the Northwich district; about how far?—I should think, taking the pumping stations at Winsford and the nearest pumping station we have at Northwich, the distance between them would be seven miles. I forgot: Newbridge would be a shorter distance than that, certainly.

1027. About how far?—Perhaps four or five miles. I mean from Newbridge.

Chairman.] With reference to this cross-examination, I do not quite see what the Committee have got to do with this question of the distance. According to the Bill, the Local Government Board are to form

form the districts; and the Committee have no power to offer any advice to the Local Government Board what the districts should be.

Mr. *Mellor.*] We should be quite satisfied with that.

Chairman.] No member of the Committee would think the Committee were justified in taking the power of forming the districts out of the hands of the Local Government Board. That would be a matter for local inquiry.

Re-examined by Mr. *Marshall.*

1028. With reference to the profits of the Salt Union (I am mentioning these figures that they may go down upon the Notes clearly) the profit of the Salt Union in 1889 were 368,000 *l.* That, I think, appears on the balance sheet already in; and in the year 1890, 306,000 *l.*?—Yes, if that is stated there.

Mr. *Pember.*] Those are the gross profits.

Mr. *Marshall.*] No, the net assets.

Witness.] If that appears by the balance-sheet it must be so.

Mr. *Marshall.*

1029. (To the *Witness.*) Do you know or not know that the promotion money of the company was 180,000 *l.*?—I know it was a very large sum of money. I do not know the sum, but I know it was very large.

Chairman.] I do not think the large sum affects anything; it depends upon the capital of the company.

Mr. *Marshall.*

1030. If it ranks as capital, it is money which has been expended; they have to pay the dividend on it; and that, in proportion, makes the dividend smaller. (To the *Witness.*) Just one question upon the increasing rateable value; I believe there has been some considerable addition to the buildings in Northwich in the way of workmen's dwellings for Brunner, Mond and Co. at one end of the town?—The alkali works belonging to Brunner, Mond and Co. are situated in the township of Winnington. Part of that township is in the rural district and part in our local board district, and it is the increase of the property within the urban portion of Winnington that has materially helped the rateable value.

1031. That accounts for part of the 2,000 *l.* increase that you have referred to?—The greater part of it.

Mr. Richard Beckett, sworn; Examined by Mr. *Marshall.*

1032. You are a contractor and builder, living I believe, at Hartford, near Northwich?—Yes.

1033. In 1881 for the purpose of the Compensation Bill of that period, did you make a valuation of the building properties in the Northwich district damaged by subsidence?—I did.

1034. And last month with the same object did you make a re-valuation?—I did, last month and this month.

1035. Now, in the 10 years intervening what has been the increase in the capital value of the property which has for the first time been affected by subsidence?—£.18,554.

1036. That is, I understand, the value of the property which had not in any way suffered before 1881 or been damaged?—No, not exactly so. It is partly property that sunk considerably since that time but partially before.

1037. Will you tell me what the 18,000 *l.* represents exactly?—It represents increased damage and depreciation, that is of gross value, from subsidence.

Mr. *Leake.*

1038. Not the value of the property?—That is the gross value of the property depreciated, not the annual value.

Mr. *Marshall.*

1039. Now I will come to a figure more pertinent to this inquiry. What is the increased depreciation and loss to owners from subsidence during the 10 years?—*f.* 48,525 during the 10 years.

Mr. *Mather.*

1040. Upon what property?—Upon the whole of it.

Mr. *Marshall.*] In the Northwich district upon buildings.

Mr. *Mather.*

1041. Is that the local board district or in the Northwich?—Northwich.

1042. To what extent; the town?—The town and the local board area.

Mr. *Story-Maskelyne.*

1043. What number of owners of houses does it affect?—About 250.

Mr. *Mather.*

1044. But you said that the whole value of the property depreciated was 18,000 *l.*?—Yes. The gross value of the property in 1881 was 414,830 *l.*; that has increased in 1891 to 433,374 *l.*

Mr. *Leake.*

1045. And the depreciation in 48,525 *l.*?—Yes.

Mr. *Marshall.*

1046. Then dividing that by 10 gives the average, in each year a loss of 4,852 *l.*?—Yes.

1047. That, of course, does not include any damage to roads?—No.

1048. Nor does it include any damage to property of gas or water companies?—Nothing; nor agricultural land.

Cross-examined

Cross-examined by Mr. *Pember.*

1049. I am sorry to say, that, from your turning towards the Committee, I did not quite catch the bearing of some of these figures; 411,000 *l.* did you give as the valuation of something in 1881?—£. 414,000.

1050. That was the valuation of something in 1881?—Yes.

1051. What was that the valuation of?—That was the gross value of the property affected.

1052. Because I see that in 1881 you gave the gross value of the property affected at 311,000 *l.*, on page 203 of the proceedings of 1881?—That is a depreciated value.

1053. No, excuse me. "Mr. *Michael.*] Will you kindly tell me what is your estimate of the value of the properties in their present condition?—(*A.*) £. 311,885"?—Yes, that may be.

1054. He asked you afterwards: "What is your estimate of depression on the gross value of the properties?—(*A.*) £. 102,945"?—Yes.

1055. Now you say it is 433,000 *l.*?—Yes.

1056. Now, how does that difference arise; I do not quite follow you?—It arises from an increased area affected; property that was not then affected is now very seriously, some that was then affected is greatly aggravated.

1057. What does that 433,000 *l.* gross value represent out of the gross value of property in the Northwich Local Board's area?—I cannot say.

1058. But are you confining yourself now entirely to the town?—Quite so; the town and district.

1059. Does it represent a hundredth-part or a tenth-part, or what?—I really do not know.

1060. Cannot you form some sort of idea?—It would be a very vague one.

1061. I see that the rateable value, for instance, is said to be 37,000 *l.* for one purpose, and 40,000 *l.* for another. Taking 40,000 *l.* rental, what gross rateable value would 40,000*l.* rental represent?—If you take it at five per cent., that would be approximate.

1062. Multiply that by 20?—Yes, multiply that by 20.

1063. Now we hear that the rateable value of the district goes up; I suppose that can only be through an increase in the value of the property?—Doubtless that may be so.

1064. In spite of all that happens?—Yes; but not an increase in value of this dilapidated property.

1065. But in spite of all that happens the value of the property does go up?—I believe it does to some extent in special places.

Cross-examined by Mr. *J. D. FitzGerald.*

1066. There are a large number of owners in Northwich, are there not?—I really could not say how many; there must be a large number.

1067. A great deal of property changes hands there from time to time?—Yes, not exceptionally, I suppose; not more so than in ordinary towns of that description.

1068. Have you any idea now of the amount which changes hands, say in 10 years?—No.

1069. You could not form any opinion of that at all?—No, I could not.

Mr. *J. D. FitzGerald*—continued.

1070. Have you any idea as to whether the existing owners of the property are persons who have bought within the last 20 or 30 years?—Oh, yes.

1071. Very largely?—In certain parts of the town, no doubt. We have but one street; really one business street, and in that street property is very easily sold.

1072. What is the population?—I do not know; I suppose it is about 16,000.

Mr. *Pember.*

1073. Do you mean the whole local board district?—Yes.

Mr. *J. D. FitzGerald.*

1074. It has been a growing population, I think?—Yes.

1075. And I gather from you that out of that principal street you speak of a large number of the owners would have acquired their properties within the last 20 or 30 years?—Some would have, no doubt.

1076. But a considerable number?—I could not say a considerable number.

1077. Have you any idea on the subject at all?—Nothing at all fixed.

1078. A very large part of the property in Northwich has actually been built within the last 20 or 30 years?—A great deal of property has been built within the last 20 or 30 years.

Re-examined by Mr. *Marshall.*

1079. Do you mean built or re-built?—Really both.

1080. In consequence of a great deal of subsidence?—Yes, as to the re-building.

1081. Being a growing population they would require a number of new houses?—Yes.

1082. Those houses have been supplied during the last 10 years?—Yes, in the outskirts.

Mr. *Mather.*

1083. You say the main street of Northwich is one in which there is a great deal of buying and selling of property?—Yes.

1084. That is also a street in which subsidence takes place?—Yes.

1085. What becomes of the site when a certain portion is caved in of the surface; is there any depreciation of that particular plot of land, as land I mean?—No, not as land; but you have to lift it at a very considerable cost. New buildings are generally built upon what we call the composite principle, of wood; those we lift. I have lifted buildings nine to ten feet.

1086. But supposing a building is erected and the land has to be filled up in order for the building to be erected, does that land depreciate very much?—No, not in that particular street.

Mr. *Leake.*

1087. They take the risk of loss?—Yes; nearly all the owners in that street are also the tenants;

Mr. *Leake*—continued.

it is essential to their business that they should have it whatever comes.

Colonel *Hill.*

1088. What is the name of the street?—High-street.

Mr. *Marshall.*

1089. Is it a fact that in a number of cases what were previously shops and dwelling-houses in the same building have given place to lock-up shops in consequence of this subsidence?—That is so.

Mr. John Aldersey Davenport, sworn; Examined by Mr. *Marshall.*

1090. You are the surueyor, I believe, to the Nantwich Rural Sanitary Authority?—Yes.

1091. Before that you were formerly with Mr. Bailey Denton, the well-known civil engineer?—I was.

1092. Did you make a valuation in 1881 of the property which had been effected by subsidence in the Winsford district?—I did.

1093. And did you make another valuation of the same kind last month?—No, not a re-valuation. Twelve months ago I looked over the property again, but I did not make a re-valuation.

1094 From your examination of the property, whatever it was, are you in a position to say what is the amount of the damage caused by the subsidence during the last 10 years in that district?—Last year I only went over the land. There is a very great deal of difference now in the houses at Winsford to what there was when I made the valuation in 1881. Houses that were then dilapidated have been taken down and wooden ones or partly wooden and partly brick have been erected; others have been put in order, and the whole thing looks very different now to what it did at that time. With respect to agricultural land, a very considerable area, I have taken it during the 10 years at 85 acres, is more or less gone; and there is a very considerable further area that has commenced to go. The first way in which we see that land begins to subside is by the levels of the drains in the fields; they begin so go up and down, they will not work; and there is a very considerable quantity of land now in that state, and it no doubt will go eventually.

Chairman.

1095. What is the land worth an acre?—From 30 *s.* to 2 *l.* an acre; it is worth about 30 years' purchase.

Mr. *Marshall.*

1096. Have you a note there of the number of buildings that have been damaged since 1881?—Not since 1881. The quantity in 1881 of land that was then damaged was 664 acres, public buildings six, salt and other works seven, houses and cottages 295; slaughter-houses and stables and buildings 19, warehouses and worksbops 12, public-houses 15, and shops 62.

1097. Have you formed an estimate of the annual loss to owners of property by the subsidence during the last 10 years?—Yes; the estimated annual loss in 1881 was 1,579 *l.* 18 *s.*

1098. Can you say since that time what the annual loss has been?—Upon the land it would be 168 *l.* 16 *s.*

1099. You have nothing to say with regard to buildings?—No, I have not taken buildings.

Mr. *Mather.*

1100. How do you reckon loss; do you mean submerged land?—I have taken it as it appears. Some is partially submerged; some is entirely gone.

1101. Some might be fit for use?—Some might be partially fit for use; and some entirely fit for use; it is in all kinds of stages. The first evidence of it is the drains; then it begins to show little ridges, the grass begins to look rough.

Mr. *Marshall.*

1102. Did you form any opinion of the increase of damage up to last year as compared with 1881, or not?—On the houses? No, the houses, I think, look better now than they did in 1881, for this reason: that they have been re-built. They were all down; those that were in a very bad condition were all down, and new ones have been erected.

Cross-examined by Mr. *Pember.*

1103. You have said what you had to say very frankly; can you tell us what the rateable value of Winsford was five or 10 years ago whenever the re-valuation was taken, and what it is now?—I do not know the rateable value of Winsford.

1104. We may take it that it has increased in the last 10 years?—I daresay it has.

1105. And with regard to a number of these cottages; are they inhabited by people connected with the salt industry?—No doubt.

1106. Employed on the salt works?—No doubt.

1107. And I suppose that is true of the smaller houses; I did not ask the last witness the question, but it is true of the smaller houses in all these salt towns, Northwich, and Winsford, and so on, is it not?—You must discriminate a little bit, because there is a great deal of sound land there, and of course where there is sound land, the salt trade being there, houses will increase, and the rateable value will go up, no doubt.

1108. I am not talking of rateable value now; I suppose I am right in saying that the cause of the increase of population and building there is the presence of the salt industry?—No doubt.

1109. But I was not on that; I say it is true, is it not, generally, that the smaller houses in these towns we may take to be inhabited by persons who are employed at the salt works?—Yes.

Re-examined

Re-examined by Mr. *Marshall.*

1110. And they have been considerable losers because they are the owners of the houses?—Where they have sunk they have been considerable losers.

Mr. *Mellor.*] As this gentleman is a witness who goes more particularly into the damage connected with Winsford, I do not know whether we can get out the damage done to the town.

Chairman.] We are satisfied as to that.

Mr. *Pember.*] I do not deny that.

Mr. *Story-Maskelyne.*

1111. Is it within your knowledge that the damage has increased very much of late years?—Certainly. I have known Winsford for 40 years, and the damage has been, I may say, proportionate to the pumping almost.

1112. You feel confident of that?—I feel confident of it. I remember 40 years ago when the damage was comparatively little to what it is now; but as the pumping has increased, so has the damage increased.

Mr. *Mather.*

1113. Is there any difference made by the assessor in Winsford between the property built on what you call shaky ground and the property on sound ground?—I cound not answer that question.

Mr. *Lyell.*

1114. Is the damage at Winsford proceeding at a more or less rapid rate than in similar localities in Northwich?—I may say that for the last two or three years the damage has not proceeded at so rapid a rate, and I think the reason is this: that the salt mannfacturers have been rather still; there has not been so much pumping in that district the last two or three years, and the land has not sunk so rapidly; but from my own observation in the district I have always seen that heavy pumping and subsidence have gone together.

1115. And is that also your experience at Nantwich?—We have no subsidence at Nantwich.

Mr. *Mather.*

1116. Is there much pumping of brine at Nantwich?—The Old Byot is the only shaft where there is any pumping going on at Nantwich at the present day, and that is simply for brine-bath purposes. There has been no salt manufacture in Nantwich now for 35 years.

Mr. *Mellor.*] Might I ask you to ask the witness this question: he has approximated the value of the properties in a damaged state in Winsford in 1881, and I think he can also give you the estimated depreciation in the ten years.

Witness.] Not upon the houses; in the land I could, but not upon the houses.

Mr. *Marshall.*] There are a number of other witnesses, Sir, but we do not propose to call them unless the Committee desire to hear them; but we have Mr. Garner and another gentleman who are independent brine-pumpers who are here for supporting the Bill. There are also two gentlemen from Droitwich; their evidence would be mainly on the scientific question; and also the manager of the Gas Company at Northwich who is prepared to speak to the amount of depreciation on account of the subsidence there.

Chairman.] I think the Committee are satisfied with the case made out for the Bill subject to the answer that will be made by the other side.

Mr. *Marshall.*] Then that is the case for the Bill.

Mr. *Pember.*] Was heard to address the Committee in support of the Petition of the Salt Union, Limited, against the Bill.

The Committee-room was cleared.

After a short time the counsel and parties were again called in.

Chairman.] The Committee are of opinion that the Bill should be proceeded with, but in accordance with the arrangement we have made, we postpone the Preamble till the conclusion of the Clauses.

Mr. *Freeman.*] Stated that on behalf of the Wainsford Local Board he had several clauses of great importance to bring before the Committee, and that he had been in communication with his friends representing the district of Northwich and Brunner, Mond, and the Salt Union, and the feeling of all was that time would be saved by an adjournment for some days, and he suggested till Monday.

Mr. *Marshall* assented to this suggestion.

The *Chairman* stated that the Committee would meet on Tuesday.

Tuesday, 21st April 1891.

MEMBERS PRESENT:

Mr. Gainsford Bruce.
Mr. Gathorne-Hardy.
Colonel Hill.
Mr. Lyell.
Mr. Leake.
Mr. Mather.
Mr. Story-Maskelyne.

THE HONOURABLE JOHN GATHORNE-HARDY, IN THE CHAIR.

Mr. *Littler* WAS heard to address the Committee on behalf of the London and North Western Railway Company upon the question of allowing the company to participate in the benefits proposed by the Bill with regard to compensation for subsidence.

Mr. *Kennedy* was heard on behalf of Messrs. Brunner, Mond and Company.

Mr. *Freeman* was heard on behalf of the Winsford Local Board.

Mr. *Marshall* was heard to address the Committee in reply on behalf of the Promoters.

The Committee-room was cleared.

After a short time Counsel and parties were again called in.

Chairman.] The Committee have decided that the railway companies and canal companies shall not be entitled to the compensation by this Act so far as their works are concerned, but if they are hotel owners or land owners of any other kind which does not bring them under the Lands Clauses Act, where they would be entitled to support, and, if they will prepare a clause and bring it in, the Committee will consider it, but so far as railway works are concerned the Committee think they should not come under the Act.

Mr. *Bolton.*] With regard to canals, Mr Littler I think appeared on behalf of the railway company. I have an amendment to move on behalf of the canals when the clause comes on. There has been no argument as far as canals are concerned.

Chairman.] But the canal company is in precisely the same position as the railway company.

Mr. *Bolton.*] If I am not able to distinguish between them I shall not get any redress.

Chairman.] I am afraid the Committee have divided on that point.

Mr. *Bolton.*] I shall not occupy your time, of course, but when Clause 42 is reached I shall move an amendment.

Chairman.] If the railway company has a building like an hotel or cottages which are in the same position as private owners, the Committee does not want to except those.

Mr. *Bolton.*] I quite understand that, Sir. Of course, we shall have to consider that matter.

Chairman.] What is the next point?

Mr. *Marshall.*] I propose now that the Committee should go into the clauses of the Bill. I believe some alteration is proposed in Clause 6 by Brunner, Mond and Company.

Chairman.] This Bill which is handed to me by Brunner, Mond and Company, are those alterations in ink agreed to, because there are a great many alterations here in the preamble.

Mr. *Kennedy.*] That is postponed. Perhaps it would be convenient if I state as shortly as I can, what no doubt is an important question, namely, the alteration which would come in substitution for Clauses 6 and 7, for which we propose to insert Clauses "*a*" and "*b*" of the print which is now before the Committee. I do not think I need trouble as far as "*a*" is concerned to read it unless the Committee wish, because I do not think any party, including the promoters, would object to any of the wording of our alteration, if the principle is adopted. It has been taken from public Acts of Parliament, and I do not think any question will arise upon it. The point we raise in Clause "*a*" is one that we wish to have substituted for the provision in Clause 6 of the Bill, which provides a somewhat peculiar procedure by double inquiry at the Local Government Board, as you, Sir, and other members of the Committee will not have failed to notice there is a reference to the Local Government Board, without the check which in every other local improvement of importance exists in every Act of Parliament, namely, a check on the Local Government Board's decision. We ask to substitute for that position of things what we call, and I think rightly call, the usual procedure of, first of all the Local Government Board inquiry; then a draft Provisional Order; and then a confirmation of that in the ordinary way by Act of Parliament. It is to commonly known I think, Sir. The Committee

mittee will forgive me if I am at all trespassing upon what may be called common knowledge of those who have had experience; but the procedure by Provincial Order is well known. In every case for instance of a local body who wish to purchase land, who wish to start water works, or gas works, perhaps more recently in the case of electric lighting, it is an invariable practice, because it provides for the two things; it provides first for an adequate inquiry on the spot by the Local Government Board's representative; then the Local Government Board exercises its wisdom by drawing a draft Order, and that, if it is approved of, becomes law by a Confirmation Act, For some reason or other this Bill differing from all the various clauses as to local improvement or local institutions, which are created anywhere in the country, drops the Provisional Order procedure and creates a double local enquiry on the spot only. The result of that is this, that whereas in each case there would be two inquiries, in one case as provided by the Bill as it stands there is no check upon the determination of the Local Government Board. That is the point, and it is a very important one. Those members of your Committee who took part in what took place in 1881 said it struck them very much, and obviously raised a very important point, namely, the fundamental point of the question of the area of districts. It is such a very serious thing, looking at the admission in this case as to the difficulty of deciding upon areas, that it seems difficult to justify not giving to the localities the protection necessary by a Parliamentary inquiry, whereas in every other matter of local interest such as water works, or electric lighting, or tramways for example, there is that check. The Local Government Board scheme, if they do approve of a scheme, is checked by there having been an opportunity of comparison, or the Confirmation Bill in Parliament; but when you have such a matter really of such stupendous importance as these areas in this salt district, which are to be liable to special taxation we submit to the Committee, it is pre-eminently a case in which, if there is no precedent, Parliament should be open to hear suggestions against the proposal brought forward. On the other hand, if it is said expense will be involved, after all there are to be two inquiries under the Bill as it stands. We propose to knock off the second inquiry and let it take place in a Committee-room like this; but if the scheme is satisfactory to Cheshire or Worcestershire, or any other county which is affected——

Chairman.] What practically you ask is, that these inquiries should be by Provisional Order as usual, instead of in this special way.

Mr. *Kennedy.*] That is it.

Mr. *Story-Maskelyne.*] I should like to ask you one question. Do you provide for any public meeting, at which public expression can be given to the feelings and sentiments of local persons.

Mr. *Kennedy.*] We do not touch so much of the Bill as provides for the first inquiry here. The Bill as it stands provides by Clauses 4 and 5 for the memorial, and we do not propose to touch the foundation of the Bill in that respec Then if the Local Government Board think a *primâ facie* case is made out, they direct a local inquiry to be made by their inspector. That is Clause 4. Then Clause 5 provides for the question put to me.

Mr. *Story-Maskelyne.*] But that local inquiry involves a public meeting, does it not.

Mr. *Kennedy.*] Certainly, Sir. It says here, "Before a local inquiry under the Act is held, the Local Government Board shall give public notice by advertisements in the local newspapers or otherwise, in such manner as they shall think fit, of the time and place at which the inquiry shall be held, and the inspector shall hear all persons locally interested appearing before him and desirous of being heard.

Mr. *Story-Maskelyne.*] That does not necessarily mean a public meeting; that only means that anybody who has a complaint can come before the inspector and make his complaint. I am thinking now of what takes place in the inclosure of commons, where they always have a public inquiry at a public meeting.

Mr. *Kennedy.*] We have nothing analogous here. I am told (but you will be better judges than I am) that there are certain provisions in the Borough Funds Act (though it is not done in the case of a Provisional Order) with regard to that, but the advantage of a Provisional Order is that if there is no local feeling against the proposition, they can come before a Committee, and if it is in accordance with the real wish of the community, the Bill passes without expense.

Mr. *Gainsford Bruce.*] What I understand you leave out is this: According to the Bill as it stands, after the first local inquiry to ascertain whether a district is desired, the Local Government Board prepare a scheme defining the district.

Mr. *Kennedy.*] That portion is left as it is, Sir.

Mr. *Gainsford Bruce.*] Then when the scheme is prepared, a second local inquiry is held, at which any persons in the district may suggest that the boundary of the district should be altered, or anything of that kind. That you propose to leave out.

Mr. *Kennedy.*] The second we leave out, because we take the usual proceeding by Provisional Order.

Mr. *Story-Maskelyne.*] The second is the most important part, surely?

Mr. *Kennedy.*] It is, Sir, but the second inquiry would be a *resumé* practically of what has taken place at the first inquiry, but still leaving the Local Government Board absolute masters as to fixing it without any appeal.

Mr. *Gainsford Bruce.*] That is true, but at the same time it is only upon the second inquiry that the Local Government Board have an opportunity of ascertaining the opinion of the district with reference to the actual boundaries of the district.

Mr. *Story-Maskelyne.*] That is the point.

Mr. *Kennedy.*] The same criticism may be passed upon the general principle of Provisional Orders.

Chairman.] But, with regard to this matter, the formation of the district is really one of the most important parts of the whole thing?

Mr. *Kennedy.*] Quite so.

Chairman.] The formation of a district for gas, or lighting, is merely a case of where a person has to sell his property, but the question here is one of the most important questions in the whole thing.

Mr. *Kennedy.*] It is, Sir. It is because Messrs. Brunner, Mond and Company were only anxious to have a just Bill, and to assist the promoters in that respect, and because they do think the point about the districts is so important, that they were anxions there should be an opportunity of everybody who is interested being heard before it becomes absolute law.

Chairman.] Will not the people interested be better heard before any local inquiry than they will by opposing in Parliament a Provisional Order? Do people ever do any good by opposing a Provisional Order in Parliament?

Mr. *Kennedy.*] This point has been rather carefully considered, Sir, and under the Bill as it stands, as far as regards the boundaries, the boundaries will appear in the proposal. It will have been before the body locally interested.

Chairman.] I think it would be satisfactory to hear from the promoters of the Bill what their objection is to proceeding by the ordinary form, because, *primâ facie* the ordinary form seems to be the right one.

Mr. *Freeman.*] Upon this point, Sir, we hold a very strong view, and I think I shall be able shortly to satisfy the Committee that the Bill as it stands is far more equitable between both parties than it would be with the alteration which is proposed by Messrs. Brunner, Mond and Company.

The two reasons why we think this is a case which should be conducted by a local inquiry are first, because if ever there was a matter which did require that the persons inquiring into it, and deciding upon it should be on the spot, this is one. It is absolutely vital that everybody who is interested in it should have an opportunity of being heard before the tribunal which is to decide what this district is to be, and while it would be equally easy for gentlemen like the representatives of the Salt Union, or for Messrs. Brunner, Mond and Company to appear either before a local inquiry or before a Committee of your House, it would be exceedingly difficult for either the small local boards, or for private individuals who anticipate, or who have suffered damage, to appear in town before your Committee.

The first point, therefore, which I make is this, that as the Bill is now drawn, the whole thing will be conducted in the light of local knowledge, with the capabilities of looking at the spot, and of hearing everybody without trouble who is interested in the question. What will take place if the Bill stands is this: At the first inquiry the general lines of the scheme will be laid down; probably certain persons will propose the way in which the district is to be formed, criticisms will be made upon it; the inspector will then make his report, and the scheme will be carefully drafted, showing the details of the boundaries. But what is then to be inquired into is not any general principle, but the details as to the correctness with which those boundaries have been settled. Therefore, upon that second inquiry, it is even more important than upon the first inquiry that everybody, rich or poor, who is affected by the scheme should be able to come to the spot, and, if there is any dispute, say to the inspector, "Come and look at it for yourself." But if the inquiry takes place in London, what would be the result? Bodies like the Salt Union and Messrs. Brunner, Mond and Company would, no doubt, be able to call before the Committee expert evidence, which might possibly satisfy the Committee, and induce them to alter the Bill; but persons like the local board whom I represent would not be able to come.

Then the second point, which I think is almost as important as the first, is the enormous difference in the expense which would arise under the two methods. In the inquiry before the Local Government inspector there is practically no expense to anybody at all, except the fee which has to be paid to the inspector for his attendance and the possible cost for the hire of the room and lighting it and heating it to keep it warm. Everyone can appear before that inspector at all times, and it is not a case in which counsel would be required. If a man's house showed signs of cracking, he would be able ts come before the inspector and say: "Clearly this ought to be included in the district; here are proofs of subsidence." Now, practically, that can be done without expense. No one is better aware than yourself, Sir, that to oppose a Provisional Order in this House is a matter which involves a cost of many hundreds of pounds, and is a matter of serious obligation to small local boards such as I represent, which are scattered all over this district; and still more serious to small owners of property. In addition to that (which is equally important), if it is to be done by Provisional Order, very great delay must arise before the district can be formed and the Act be worked into shape, whereas if it is allowed to proceed by these two short local inquiries, there is no reason why, certainly at the end of this year, the Act should not be in full operation, and the benefits be received by the persons interested.

Mr. *Story-Maskelyne.*] This Clause A. applies only to the formation of a compensation district, does it not.

Mr. *Freeman.*] That is so.

Mr. *Story-Maskelyne.*] And that is what you are talking about now.

Mr. *Freeman.*] That is what I am talking about.

Mr. *Story-Maskelyne.*] That is not a thing which is frequently going to be done. It will be done once or twice only, will it not.

Mr.

Mr. *Freeman.*] It is a very important thing, and for this reason I admit it is important that local boards and the persons injured as well as the salt pumpers should be able to appear and give their views.

Mr. *Story-Maskelyne.*] But I understand your objection to the scheme as proposed in this clause is on the ground of expense and complexity of detail, and so on. Do you mean that you would have a better inquiry, or that individuals would be better represented if you had an inquiry of the kind that you propose than if you had an inquiry held under the Board of Trade, as is ordinarily done in the case of a Provisional Order?

Mr. *Freeman.*] What I submit, Sir, is this, that no doubt if they had the means, and could afford the time, they could be quite as well represented before a Committee of your House, and certainly with as desirable a result, as they could before a Local Government inspector; but the question is that they could not afford to be here.

Mr. *Story-Maskelyne.*] You say "they;" who are "they"?

Mr. *Freeman.*] The small local boards and the individuals whose property is injured.

Mr. *Story-Maskelyne.*] The local boards are not poor people, and the other people would have every opportunity, I presume, of appearing before the inspector or the person who is sent down by the Board of Trade, would they not?

Mr. *Freeman.*] Certainly, Sir, everybody would have an equal power of appearing before the inspector sent by the Board of Trade, but everybody would not have an equal power of appearing before a Committee of your House. That is my point. Even if they had the power, the matter in question is one so much of detail that I submit it would be better if settled on the spot than by a Committee of your honourable House.

Chairman.] There would be very little difference between the two things, would there. In one case the Local Government Board would settle it by their own inspector, in the other case in the form of a Provisional Order, which would be brought here.

Mr. *Freeman.*] But we might desire to be heard on the Provisional Order, and might not be able to be here.

Chairman.] You mean the Provisional Order here would take the form of the record inquiry there?

Mr. *Freeman.*] Certainly, that is the amendment, and that I submit is a time when it would be most important to be heard.

Chairman.] There are not two local inquiries under the Provisional Order, are there?

Mr. *Freeman.*] No, if the amendments of Brunner, Mond and Company are accepted, what takes place is this: The inspector goes down, forms the outlines of this scheme, and reports to the Local Government Board. If the Local Government are satisfied that there is a *primâ facie* case they prepare a Provisional Order. The Provisional Order, if opposed, is opposed precisely in the same way as a private Bill before one of your Committees, and everybody will have to appear by agents, counsel, and witnesses.

Mr. *Story-Maskelyne.*] That is the question I have been asking you. There are two references to a locality in the case of a Provisional Order. There is the preliminary one before the inspector is reported, and there is what ought to be a very searching and general one after the inspector has reported.

Mr. *Freeman.*] There is not, Sir.

Mr. *Gainsford Bruce.*] In some cases there are under the Artizans' Dwellings Act, I have known cases when the Government inspector first of all holds an inquiry to consider whether a scheme shall be adopted, then he makes a scheme, publishes his scheme, and holds a second inquiry with reference to that particular scheme, and then comes to the House for a Provisional Order. There are such cases as that.

Mr. *Freeman.*] As you say there are such cases, Sir, there must be, but I had the honour of representing the Metropolitan Board in all those kind of cases in London, and in all those in which I was engaged there was no such thing.

Mr. *Gainsford Bruce.*] The case I was thinking of was in St. Giles, where there were two inquiries, and it is now before this House on Provisional Order.

Mr. *Freeman.*] Was not the original scheme in that case somewhat altered and a fresh scheme brought in by the authority itself, Sir? I think the honourable Member will bear me out that I am correct in stating this, that the usual practise under those schemes was to have the inquiry before the inspector to settle what the scheme was and what property was to be included, and then it came in before Parliament, there was no further inquiry except the compensation inquiry. Therefore, certainly as this amendment is suggested, and as is the ordinary practice (I do not say there are not exceptions), there would be only the one inquiry to settle the provisional scheme, then on the report of the Commissioner, it would be put before your Committee as a Provisional Order, and on that everybody would appear in the usual way. I submit for the three reasons, want of local knowledge, inability to meet expense, and the saving of time, it is not desirable to accept this proposal. If the Committee think the Provisional Order should take the place of this inquiry, I suggest that the Committee should insert some clause that the reasonable costs of appearing on that Provisional Order should be payable out of the compensation fund.

Mr. *Lloyd.*] On behalf of the Salt Union in support of this clause, may I say that we were about to bring up a clause of a similar description, but we were saved the trouble by finding that Brunner, Mond and Company had done so. We urged that the Committee should adopt this clause in this sense, that the local authorities and

local people really suffer no inconvenience and loss, because if that Bill is carefully looked at, the clauses which are allowed to stand (3, 4, and 5) it is clear the local people and local authorities have every possible opportunity of appearing and stating their objections if they have any to any proposal made. You will see by Section 3 that the matter is put in motion by a memorial presented, and that memorial is praying for a compensation district to be formed with such boundaries as shall be described in the memorial or such other boundaries as the local board shall fix, so that the boundaries are originally proposed by the very persons who present the memorial and that coming before the Local Government Board inspector upon an inquiry being directed we come to Section 5, where he is to give notice of the local meeting or inquiry which he proposes to hold, and all persons locally interested are entitled to appear and state what objections they have not only to the formation but also to the boundaries of the district. So that at the outset it is clear that those locally interested have every opportunity of being heard upon the question which is submitted to the Local Government Board, namely, the boundaries of the district. That being so, the question is whether it is desirable there should be a second local inquiry or whether it is not more advisable instead of that to substitute the proceeding by Provisional Order. It is objected by the Winsford Local Board that they should not be by Provisional Order, but should be by local inquiry on several grounds, first of all on the ground of local knowledge. I do not know whether that arrangement would weigh very much with you, local knowledge might be brought here very easily, and I do not know that it can be said that anybody going down to Cheshire would be likely to acquire more local knowledge than those who possess the knowledge and come here before you. Then it is said, "but there is the expense." My friend stands up on behalf of what he now calls the little local boards, and asks the Committee to believe that they are people who cannot bear the expense. That might be all very well if this were a matter which was going to crop up from time to time, and would require almost monthly or bi-monthly attention, but as one of the members of the Committee has already said, it is really the most important thing of the whole Bill, it is that which is going to form a whole district, leaving the area of Cheshire in one district, or splitting it up into several, and it must eventually be one of the most important parts of the Bill. Why should that be so settled, when this Committee said on hearing some evidence that that was a very important question requiring a good deal of consideration? Why should it be left to the consideration of one inspector sent down by the Local Government Board when it might be presented on the Provisional Order if opposed to this House. I venture to submit, on behalf of the Salt Union that there are no good grounds brought forward here for maintaining the clauses as they stand in the Bill, and on behalf of that Union I ask the Committee to adopt the clauses brought by Brunner, Mond and Company.

Mr *Marshall.*] On behalf of the promoters it is suggested there are most serious objections to the proposed alterations. With regard to the question of expense, it has been suggested that in any event the local boards will be able to bear the expense, even supposing the property owners were not so able. It might be, I venture to submit, that local boards would not always feel the interest in private property that possibly they ought to feel, or one would expect them to feel. Suppose, instead of considering the case of Cheshire, which has been most prominently before the Committee, you were to consider one of the outlying salt districts, say Staffordshire. There is a small district there where salt works have been carried on, and, if pumping goes on, there will be subsidence sooner or later there. How can a compensation board be formed there? First of all, it would be necessary to obtain the concurrence as memorialists of persons rated to the extent of 2,000 *l.* a year, not a very easy thing to do unless the local board take it in hand. It might very well be that the property owners would be non-resident persons, and therefore the local board would feel no particular interest in advancing their claim to compensation. If that were so, then apart from the difficulty of getting a sufficient number to memorialise for the purpose of forming a district after that has been done, they would have to consider the enormous expense, because, without exaggeration, it is a very considerable expense indeed of the procedure, with a view of obtaining a Provisional Order. The cases are so different obviously to a local inquiry on the one hand, or rather two local inquiries, the first for the purpose of ascertaining the general wants of the district, the second for the purpose of correcting any defects in the draft scheme which has been submitted; the case, I say, is so extremely different between that on the one hand, and the case which is now proposed of first holding one local inquiry, and afterwards having to submit to the very considerable expense of appearing possibly before two Parliamentary Committees, that in one case it would be a mere matter of a few pounds only, and a few pounds only, and on the other hand it would be an expense of probably some thousands of pounds in appearing before Committees of both Houses of Parliament. So far from this being an unusual course, the precedent of the Public Health Act in 1875 has been very closely followed in drawing the Bill on the present lines. Almost identical provisions are contained in the Public Health Act, 1875, Clauses 272 and 273. A very important question, no doubt, has to be settled of defining boundaries, and there the Legislature thought the best course would be to hold a preliminary inquiry to ascertain the wants of the neighbourhood; secondly, an inquiry to ascertain the objections to the draft scheme. That has been carried on regularly, year by year, as far as wanted under the Public Health Act.

Chairman.] Without any Provisional Order.

Mr. *Marshall.*] Without any Provisional Order altogether. Simply the two local inquiries, and leaving it to the judgment of the Local Government

ment Board to define what what the boundaries should be.

Mr. *Story-Maskelyne.*] Supposing there were objections raised by a few small people in the district, how are they met in a case of that kind? How do they get hearing and justice, because we are dealing with very large bodies you know.

Mr. *Marshall.*] I will take any case you put whether large or small. First there is a public meeting called by advertisement, at which all persons having an interest in the matter may attend, state what they want, and thereupon a Local Government inspector reports, and a draft scheme is drawn up. That is published by the best means.

Mr. *Story-Maskelyne.*] What are those means? What would those means be?

Mr. *Marshall.*] Those are specified in the present Bill: "The Local Government Board shall cause notice to be published of the deposit of copies made in pursuance of this section, and of the time and place, or times and places at which an inspector will attend to hear any objections to the draft Order."

Mr. *Story-Maskelyne.*] There would be no regular meeting?

Mr. *Marshall.*] Yes, there would be. It then follows: "After receiving the report of their inspector with respect to the draft Order, the Local Government may either decline to proceed further in the matter, or may confirm the draft Order, with any additions, alterations," and so forth. That is to say, the inspector shall attend to hear objections, and of course proper notice will be given for persons to attend to support the objections they have made.

Chairman.] I should like quite to understand it. It is the fact, is it, that disputes under the Public Health Act are settled under this form in your Bill, and not by the Provisional Order, because that is an important point.

Mr. *Marshall.*] That is so.

Chairman.] This is nothing new.

Mr. *Marshall.*] Not in the least. On the contrary, we have adopted the very best precedent we could get, namely, the Public Health Act.

Mr. *Story-Maskelyne.*] But there is no appeal as in the case of a Provisional Order in case of hardship to individuals who are over-ridden by powerful companies?

Mr. *Marshall.*] Having the opportunity of ventilating their objections at two public inquiries would in all probability relieve the matter of any difficulty of that kind, and while, on the one hand, it is no doubt important to have a fair opportunity of appealing, on the other it is most important, I submit, that the Bill should not be overweighted in the matter of expense. Of course it is conceivable that a large public company might drag the matter before two Committees for the very purpose of extinguishing the opportunity of obtaining compensation at all.

Mr. *Story-Maskelyne.*] If you take the analogous case of the Charity Commissioners, for instance, and their schemes, there is an appeal to Parliament, and laying the scheme on the table has been of exceeding value to people who otherwise would not have been well represented; would it not be the same here?

Mr. *Marshall.*] That no doubt would be some security, and I have no doubt there would be no difficulty on the part of the promoters to accept a suggestion of that kind if the Committee thought fit, namely, that it should lie on the table for 40 days and pass in case of no objection being taken.

Mr. *Gainsford Bruce.*] Can you tell me why it is, if that procedure is as you state, under the Public Health Act, 1875, no Provisional Order is necessary?

Chairman.] Could it not be that that should be the form by which these places should be formed; that it should lie on the table of the House for 40 days and not take effect till after that.

Mr. *Marshall.*] I think there will be no difficulty in taking that course.

Chairman.] That will give anybody the right to bring it forward.

Mr. *Story-Maskelyne.*] That makes it practically a Provisional Order, does it not.

Mr. *Marshall.*] No, Sir, because I take it a Provisional Order must come before a Committee.

Mr. *Story-Maskelyne.*] Before what Committee?

Mr. *Marshall.*] Before a Committee of the House.

Mr. *Story-Maskelyne.*] A Committee of the whole House?

Mr. *Marshall.*] No.

Mr. *Story-Maskelyne.*] If it is opposed, but not else. I am supposing a case of just opposition where there had been some small people who might be over-ridden by powerful companies.

Chairman.] I must say on the whole this form under the Bill is more favourable to small people than to the large. It is the large people who want the Provisional Order. The large people are the people who are petitioning for the Provisional Order.

Mr. *Story-Maskelyne.*] The small people have more power of appealing under the Provisional Order to a tribunal that will see justice done than in the other case.

Mr. *Marshall.*] But practically on the score of expense they would have no means of appearing before a Committee. Take for instance the case of a man building his own house whose whole stake is not more than 200 *l.*, what possible means would he have of coming before a Committee to vindicate his rights; and that might happen not so much in Cheshire where it is obvious compensation will be paid, but in places where the subsidence may not

be so great, and where unless they have facilities there will be no means of getting compensation at all. Then on the serious question of delay the probability is if they get a Provisional Order the Board would not be formed in less than two years from this time. That will be a most serious delay, and the bodies who are now objecting to the Clause as it stands are at the same time proposing that this Act shall not come into force until the Compensation Boards are formed. If that were so the result would be this, that no compensation for damage would be paid say for the next two years or possibly more. That would be a most serious matter and one which one is bound to mention at the present time. Then there is also the question of costs which my friend Mr. Freeman has referred to.

Chairman.] Of course you must remember this difficulty: If it were to lie on the table of the House that would prevent your doing anything under the Bill until next year.

Mr. *Marshall.*] No doubt that would be so and would cause a considerable amount of delay which would have to be considered, but if it were thought that was a desirable course we would propose that the Act should take effect in respect of claims for damage from the time of the passing of the Act.

Mr. *Gainsford Bruce.*] With reference to the Pubic Health Act you say the ordinary course is to have two inquiries and no Provisional Order. Then I was going to ask you how is it in this House we have so constantly under the Public Health Act so many Provisional Orders?

Mr. *G. A. R. FitzGerald.*] In the case where there is an application from the district there are two inquiries and no Provisional Order, but the Local Government Board had power, against the wish of everybody, if they see fit on sanitary grounds to form a Local Government District, and in that case it is done by a Provisional Order, I think under Section 271, but where the application from the district is spotaneous there is no Provisional Order. There are numerous other Provisional Orders for the acquisition of land which might be in you mind, Sir.

Mr. *Story-Maskelyne.*] Does spontaneity mean unanimity in that case?

Mr. *Freeman.*] No, where it initiates in the district.

Mr. *Kennedy.*] I think it right the Committee should know my learned friend Mr. Marshall is suffering under some error as regards a statement he made with regard to the Public Health Act, because Sections 270 and onward provide in every case on the very class of question with which you are dealing here, namely, the question of areas, that it shall be by Provisional Order and when you come to how Provisional Orders are to be made, by Section 297 you will find that the Local Government Board deals with how the Provisional Orders are to be made. It says, in Sub-section 3, "The Local Government Board may submit to Parliament for confirmation any Provisional Order made by it in pursuance of this Act, but any such Order (that is any Provisional Order under the Act) shall be of no force whatever unless and until it is confirmed by Parliament." Therefore I take the very section my friend gave us (I think section 270) as the logical beginning. Part 8 is headed "Alterations of areas and union of districts." The very question in *pari materia* we wished dealt with here. Section 270 begins, "The following enactments shall be made as to alteration of areas." The Local Government Board by Provisional Order may do this, that, and the other.

Mr. *Story-Maskelyne.*] When you say "confirmation by the House" you mean simply lying on the table and not being opposed, or if opposed being carried?

Mr. *Kennedy.*] I speak with deference because I am not sure and I should like to have ascertained first, but I understand the recognised method of confirming a Provisional Order, and the way it gets into an Act is this: sometimes it is unopposed because it has been sifted before, and that is the understood method of confirmation.

Chairman.] This is a question of fact, it ought not to be a question of argument at all, and I cannot understand why two counsel are differing in this way because it must be a question of fact whether the Local Government Board proceed by Provisional Order or not.

Mr. *Freeman.*] Both my friends are perfectly correct. In some cases it is preceded by a Provisional Order, and in some cases it is not. There are numerous cases, as stated by my friend Mr. FitzGerald, in which two inquiries are held by the Local Government Board, and they decide the whole matter for themselves. Those are cases where the parties have been fully heard before them, but in case the Local Government Board under the Public Health Act decide to proceed themselves they do issue a Provisional Scheme which is then embodied in a Provisional Order. What takes place then is this: perhaps 20 or 30 Provisional Orders applying to all parts of the kingdom are tacked on to one Act.

Chairman.] Then the facts of the case are these: if a body came before the Local Government Board wishing to appoint a district under the Public Health Act there would be two inquiries and no Provisional Order, but if the Local Government Board wish to force a district upon people they have to use the Provisional Order for that purpose.

Mr. *Kennedy.*] That sums it up as I understand it.

Chairman.] Are those the facts?

Mr. *Kennedy.*] I think those are the principal facts, Sir.

Chairman.] Then this is a set of people coming before them to form a district, and *primâ facia* there would be no Provisional Order.

Mr. *Leake.*] In this case there would be a forcing upon some of them.

Chairman.] That always is the case. Without any district there are practically opponents, but this is not a case of a body forcing a district on another, but it is a district coming and saying "will you form a compensation district for us."

Mr.

Mr. *Kennedy.*] If I may say 80 it would be against a very large number of kinds of material interest which do not arise here. May I venture to say that the very section which my friend has referred to, Section 272, as being in *pari materia* is this: "The owners and occupier of any place situated in any rural district, or districts, and having a known and defined boundary, may, by a resolution passed in manner provided by Schedule 3 in this Act declare that it is expedient that such place should be constituted a Local Government district." But where the union of districts is to take place, such as may be suggested here, as in Sections 279 and 270, it is to be by Provisional Order throughout.

Mr. *FitzGerald.*] That is not disputed, and never has been.

Mr. *Kennedy.*] Then really there is no difference between us. All I venture to say in reply to the Committee is this: that this is of such signal importance, and there are so many hostile and conflicting interests involved, as the Committee have already heard from the mouth of the promoters' own witnesses, as to the difficulty of fixing the area, that there certainly ought to be an opportunity of settling the matter with Parliamentary sanction, and not merely through the opinion, however carefully formed, of a single inspector, because it deals with very important areas, and deals with taxation of a new kind.

May I say in conclusion following up rather the suggestion of the Chairman that it seems to me to cut the knot as regards any question of precedent. In the Public Health Act, where an area proposes, so to speak to create itself, it may be done without Provisional Order. Why? Because they propose to tax themselves. This is a proposition to tax, not the whole district, but a certain class of persons within that district; not to tax themselves, but to impose a tax upon A. B. C. and D., within the district. You ought then to give the same opportunity by Provisional Order of seeing that no injustice is done in a matter of private importance as is given in the Public Health Act when it comes to a question of the possible clashing of areas.

Chairman.] The Committee consider that the Provisional Order system is the proper one to adopt in a question of this importance. That involves striking out Clauses 6 and 7, and inserting this which is proposed. Do you object to the wording of this clause, Mr. Marshall?

Mr. *Marshall.*] There are one or two small alterations to be made in it, Sir. In the third line of Clause A. the words "from those" appear to have been omitted. After the word "lands" I think the words "from those" should be inserted. It is simply a matter of grammatical construction.

Chairman.] Do you wish to put the words "from those" in?

Mr. *Marshall.*] If you please, Sir.

Mr. *Kennedy.*] There is no objection if my friend thinks it makes it clearer.

Mr. *Marshall.*] I think it does. Then it is suggested by the promoters that it would be desirable to include Sub-Clause 9 before that which is now No. 9 in regard to the costs on the lines suggested by my friend Mr. Freeman, in these words: "The costs incurred in or about the promotion of Provisional Orders, including the costs incurred by the promoters in the local inquiry, shall, in the event of the formation of the district, be paid by the board out of the compensation fund of the district." That would relieve the matter of some of the difficulty which has been suggested by the promoters.

Mr. *Freeman.*] Upon that I have something further to add on behalf of the local board which I represent, which is this. The clause which my friend has just read is a clause relating to the costs of promoting. Now, in addition to that I want to put in the same clause as is contained in the Public Health Act, 1875, with regard to the costs of compensation, which I will read to the Committee. It is Clause 298: "The reasonable costs of any local authority in respect of Provisional Orders made in pursuance of this Act, and of the inquiry preliminary thereto as sanctioned by the Local Government Board, whether in promoting or opposing the same, shall be deemed to be expenses properly incurred for purposes of this Act by the local authority interested or affected by such Provisional Orders, and such costs shall be paid accordingly, and if thought expedient by the Local Government Board, the local authority may contract a loan for the purpose of defraying such costs." Now that is necessary for this reason: The local authority, of course, could only oppose a Bill if it went through certain formalities under the Borough Funds Act; and there might be even a doubt whether under the Borough Funds Act they could in all cases legitimately and legally apply their funds; but the Borough Funds Act in this case would be practically useless to the local authority unless this clause is put in for the reason that the Salt Union and Messrs. Brunner are such large ratepayers in the district that they could immediately prevent, if they so desired, any Bill which they themselves disapproved of from being carried by the ratepayers of this district. Therefore it is essential to them, in dealing with the questions which the Committee have now to decide, to have a clause of a similar nature as that which is in the Public Health Act here, and that the same protection should be inserted as to the local board. I do not know that there will be any objection to it.

Mr. *Lloyd.*] On behalf of the Salt Union I beg to offer an objection to that clause, and for this reason ——

Chairman.] Which clause are you referring to now?

Mr. *Lloyd.*] I am speaking now, Sir, of the clause which my friend Mr. Marshall has proposed. We are the people who have to pay, and we object to pay upon this ground. The Public Health Act is all very well there, because the Public Health Act is dealing with a body of people who themselves are going to be rated, and who themselves are going to pay the costs out of that rate. That is all well and good, but here it is a very different thing. We are the

people (the Salt Union and Messrs. Brunner and Company) who are going to be rated. We have to provide the fund, and then, say the promoters, who must be be people having land of the aggregate rateable value of 2,000 *l.*, or the local board; it must be one or the other. They are to come here, and they are to be the people who are put in a position to start these proceedings, and go before the Local Government inspector and also here to support the Provisional Order, and we are to pay all the costs incurred. I venture to think that the Public Health Act forms no precedent for making us pay the costs, because that is providing that the body who themselves are coming, who are themselves going to be the rating people and provide the rates, are to pay the costs out of the rates. I think, therefore, that that clause in the Public Health Act is not applicable to the present case at all, and and that this part of it now brought up should form no part of the Bill.

Mr. *Story-Maskelyne.*] You are very much like lambs here, but I suppose you are a little like lions down there, are you not?

Mr. *Lloyd.*] No, Sir; we are exceedingly tame, both in Cheshire and elsewhere.

Mr. *Kennedy.*] Whether my friend is tame or not, I only ask that Section 298, which my friend Mr. Freeman has referred to, should not be inserted. It seems to me, with great deference, to have no sort of bearing upon the suggestion he makes. The Section is, "The reasonable costs of any local authority in respect of Provisional Orders made in pursuance of this Act, and of the inquiry preliminary thereto, as sanctioned by the Local Government Board, whether in promoting or opposing the same, shall be deemed to be expenses properly incurred for purposes of this Act by the local authority interested in or affected by such Provisional Orders, and such costs shall be paid accordingly." Why should they come upon a fund to be formed especially by taxation of a particular class, and say you shall pay. It is the proper thing to get it out of their rates if they are justified in doing so. Let them by all means have a clause saying that they shall get it out of the rates, and that it is a proper expenditure to incur if the Committee think it right they should incur it, or if the Local Government inspector thinks it right that they should incur it. But why should they put upon us whom they seek to tax the costs of dealing with it, and not put it upon the general body of rates, seeing that the whole of the ratepayers are to get the benefit, and the people who are to pay are the brine pumpers, upon whose funds alone my friend Mr. Freeman proposes to put all the expenses of the local board.

Mr. *Story-Maskelyne.*] But you are the ratepayers to a large extent, are you not?

Mr. *Kennedy.*] We are: we shall no doubt in that way contribute with the rest, but it is the whole body of the ratepayers who are to get the benefit out of a certain number (ourselves), and why should we pay for the costs of their agitating that matter? Why should not it come out of the fund which is contributed to so largely, but which is for the benefit of the whole body of the ratepayers?

Mr. *Story-Maskelyne.*] It is only a question of whether it should come out of your right had or out of your left hand pocket, is it not?

Mr. *Lloyd.*] No; there is much more coming out of the right hand than the left hand pocket.

Mr. *Kennedy.*] Surely, Sir, it ought to be a question of their own rates.

Mr. *Marshall.*] I think it is apparent to the Committee that some provision must be made, otherwise it is doubtful whether the sanitary authority would have power to get it out of their own rates at all, therefore I apprehend some clause would have to be added, making the costs payable either out of the rates or the compensation fund. As to that, it is entirely a matter for the Committee.

Chairman.] I am afraid the Committee cannot allow a special regulation as to costs of this kind, and with regard to costs of the local authorities, they must provide a clause to enable them to get it out of their rates if they cannot do it already, but they will not get any more special legislation than anybody else. If you like to put in a clause enabling you to go to your rates you may, but you must not come here and ask for anything special.

Mr. *Mellor.*] We will take the clause in the Public Health Act.

Chairman.] You mean you want to include Clause 298 of the Public Health Act?

Mr. *Meller.*] Yes, that is it.

Chairman.] Then you agree with the other portions of these two clauses handed in by Messrs. Brunner, Mond and Company, Clauses "a" and "b"?

Mr. *Marshall.*] Yes.

Mr. *Kennedy.*] Now we come to Clause 8. I do not think there will be much objection except as to detail with regard to this. We propose in Clause 8, "for every district formed under this Act there shall be a compensation board, constituted of such numbers of members not exceeding nine, as shall be named in the Order for the district." All parties have met, and I do not think there is any objection to that.

Mr. *Marshall.*] The proposal as to nine is entirely novel.

Mr. *Kennedy.*] I was told that there was no objection to it. That is what we propose. I believe the Salt Union wished to have a fixed number of seven, and we thought it would meet the wishes of the promoters if it were left to the Local Government Board in their Order to name the number, simply having a maximum of nine; however, it is entirely for the Committee.

Mr. *Marshall.*] Might I submit it would be desirable to leave it simply to the Local Government Board, both seven and nine strike me as being rather a small board; it would be better to leave it to the Local Government Board.

Mr. *Lloyd.*] As far as the difference between seven and nine goes, of course I should not take up your time as to that, Sir. We would as soon have

have nine as seven, but what we want is a workable board. We do not want a large board with any multiple of three which could do anything. We want a workable board.

Mr. *Story-Maskelyne.*] You are willing to limit it?

Mr. *Lloyd.*] Yes.

Mr. *Marshall.*] The question is, I take it, whether the words, "being a multiple of three," should be taken out simply, or whether the words stating there should be a maximum of nine should be inserted also.

Mr. *Lloyd.*] I do not know if you have a copy of the clauses of the Salt Union, Sir. You will find we propose in Clause 7 this, "for every district formed under this Act there shall be a compensation board" constituted of seven members, or nine if the Committee think right.

Chairman.] I do not think we ought to fix the number.

Mr. *Marshall.*] Then if you take out the words "being a multiple of three," it would make it general.

Chairman.] Shall we put the words not exceeding nine?

Mr. *Kennedy.*] The next one is also ours (Clause 9), but it is purely a legal question and does not alter the effect of the Bill at all. It is a matter of suggestion to the promoters that after the words "constitution" in Clause 9 should follow the words "for the purposes of this Act." It is to give power to acquire land in mortmain, and it would be better to have that in there to make it clear.

Mr. *Marshall.*] I do not object to that.

Mr *Story-Maskelyne.*] Where does it come in?

Mr. *Kennedy.*] It will come in after the word "constitution."

Chairman.] Unless you can show an advantage, I do not think you want them.

Mr. *Kennedy.*] Very well, Sir; if you think there is not.

Chaiman.] I do not see where the advantage is.

Mr. *Kennedy.*] I might prevent any question arising as to the power which is only granted for special purposes to public bodies. As it stands it is to acquire and hold lands for the purpose of their constitution. It might be said that the purposes of their constitution are so wide (for instance, you are going to constitute a whole district of Cheshire), and that the power to hold lands was more than for the mere purposes of compensation under this Act, and to make it quite clear it was proposed to put in these words, but if you think it is unnecessary I will not press it.

Chairman.] I think it would be very difficult for a man to say what are the purposes of this Act if they were to get hold of a piece of land, I do not see any object in it. I should be inclined not to put it in. I thing the less you hamper a thing with difficulties the better.

Mr. *Kennedy.*] Very well, Sir. Now we come to the 10th, which is material. Our suggestion now is, and I think there is a practical kind of agreement between us, as I understand, that the members of every compensation board, instead of being as provided by the draft Bill one-third brine pumpers, one-third owners of land, and one-third appointed by the sanitary authority, should be, "one member shall be appointed by the Local Government Board who shall be the Chairman of the Board and the remainder one-half elected by the brine pumpers and one-half by the urban and rural sanitary authorities or authorities having jurisdiction within the district." You will recollect the evidence of the gentleman who was called by the promoters, Mr. Ward, who preferred that the whole of the authority should be outside. This is the suggestion we have come to after discussion, that there should be a chairman who should be an independent person, appointed by the Local Government Board, and that the rest of the board should sit half-and-half as to those who are really interested in it. I do not know whether that is actually expedient, but I understand that generally meets with approval. I am told the promotors see no unfairness in that.

Mr. *Story-Maskelyne.*] Do you say one-half by the promoters and the other by the rate payers?

Mr. *Kennedy.*] No, the rural sanitary authorities.

Mr. *Story-Maskelyne.*] But the rural sanitary authorities are elected by persons who are ratepayers are they not?

Mr. *Kennedy.*] The urban and rural sanitary authrities are.

Mr. *Story-Maskelyne.*] That is to say, they are pretty much the same people appointed by them.

Mr. *Kennedy.*] Our objection to the clause as it stood before was that as the Bill stands the sanitary authorities would have a right of being claimants as such against us, and in addition to that they would, of course, represent all those who are ratepayers whose property would be injured. That was the view, and I suppose a sound one.

Chairman.] You have entirely struck out the owners of land, and I suppose your assumption is, the owners of land have the same interest as the urban sanitary authorities.

Mr. *Kennedy.*] Certainly, who are themselves specified as claimants; and I might say also this, which is pointed out to me, and I apologise for not having pointed it out before, we do not want to have any fresh sort of register; introducing a fresh registration makes fresh complication. If you have owners you have to have a fresh registration created, and the promoters, I believe, thought that we were right in substantially keeping it without any such complication.

Chairman.] Do the promoters object to this change?

Mr. *Pembroke Stephens.*] I appear on behalf of the Northwich Local Board, and this is a matter to which we attach very great importance, as we venture to think that either the constitution of the board ought to be left, now that it has been decided to frame the matter by Provisional Orders, the constitution either ought to be referred absolutely to the discretion of the department which would have to sanction the order; or, if that course is not taken, that provision should be made for the distinct recognition of the local authorities. The provision does not go at all far enough in our view. I understand now the Board is to be not more than nine; but we think in the first place in the case of a large district, which one can easily conceive might be formed, that nine would be a very small number. Further than that we venture to say this, that if the constitution be in the main supplied by brine pumpers and by owners of land it is inconceivable that the owners of land——

Chairman.] But the way they propose this clause is not the owners of land, but the urban and sanitary authorities.

Mr. *Pembroke Stephens.*] Then this is a later thing altogether than what I saw about an hour ago.

Mr. *Leake.*] How are the urban sanitary authorities to proceed to elect?

Mr. *Pembroke Stephens.*] It entirely depends on how many there may be in the particular district which is formed.

Mr. *Kennedy.*] May I say to save time that we propose by the second sub section of the same clause the whole of the method of the creation shall be left to the independent authority of the Local Government Board.

Chairman.] I must say I think the Committee take half the same view, that being in the hands of the brine pumpers is too large a proportion. You see they would be men of business, and would make it their business to be always present there; and if one man happened to be away on the other side you might have no justice done at all. I must say I think one-third of representation for them is quite sufficient.

Mr. *Marshall.*] And it is not at all inconceivable that the brine pumpers might be on the urban sanitary authority, and therefore, they might have a double representation.

Chairman.] Yes, I am bound to say I think they would be men of business who might appoint some of their own servants, and would always be present; and, practically, they would control the whole thing entirely.

Mr. *Lyell.*] Is there no possibility of getting a perfectly independent compensation board?

Mr. *Marshall.*] We had hoped this might be regarded as such. On the one hand, there are the owners of land who would, no doubt, have an interest in claims; on the other hand, there would be the brine pumpers, who would have opposite interest. Then the rural sanitary authority, surely, might be regarded as a separate body. My friend thinks they might be identical with the claimants; but I do not see how they can be; they would be taken from all over the district, and therefore would be an independent body.

Chairman.] The brine pumpers' interest would be always exactly the same. Many of these people might have different interests; but the brine pumper would be always interested in not paying more compensation than he could help.

Mr. *Lloyd.*] Would not the answer to that be to leave out the sanitary authorities, and have the brine pumpers on the one side and the owners on the other?

Mr. *Mellor.*] On behalf of the local board of Winsford we support the clause as it stands.

Mr. *Marshall.*] Would it not be better that you might have half your board of landowners and half pumpers.

Chairman.] No, I consider half is too large. We know what boards are, and the man of business who has to look after his money is always there; and the gentleman who has to look after other people's interests is not always there.

Mr. *Lloyd.*] My desire is to have a perfectly impartial board, and we should like rather than the suggestion that the pumpers should have one third to other people's two-thirds, they would much prefer we should have an absolutely impartial board of people away from the district altogether.

Chairman.] I cannot help thinking that the clause as it stood was very fair. One knows, as I say, that people looking after other people's interests are not present; and then landowners are very often hostile to one another.

Mr. *Lloyd.*] Except when their interests are at one.

Chairman.] They are not always at one.

Mr. *Lloyd.*] Here they must be, because the only interest there may be is to get something out of the brine pumper.

Chairman.] But what interest is it to me as a landowner to get something for a rural sanitary authority 10 miles off that I do not belong to. My interest is to see justice done between him and the brine pumper.

Mr. *Lloyd.*] The landowners and the sanitary people come for the purpose of considering a block of claims, some made by land owners, some made by boards.

Chairman.] And the brine pumpers come for the purpose of opposing.

Mr. *Lloyd.*] But they come only one-third to the other two-thirds.

Chairman.] The Committee take a strong view that a third is sufficient representation; and we had better go back to the old clause.

Mr. *Lyell.*] You do not contemplate the possibility of one compensation board being formed in the

the county say, to deal with more than one compensation district. There is a compensation board for every district.

Mr. *Lloyd.*] Yes, there is.

Chairman.] Would this meet the view of the brine pumpers; one-third elected by the local authority, one-third by the brine pumpers, one-third named by the Local Government Board?

Mr. *Lloyd.*] Yes.

Mr. *Marshall.*] That is very much the scheme of Mr. Kennedy, and the objection to that is this, that while on the one hand you have a body of brine pumpers, on the other hand you have a really independent body of local authority, and also the nominees of the Local Government Board, so that on the one hand you have persons who would have very strong interests, and be regular in attendance, and on the other, persons who would really have no interest in the matter at all. I think as originally drawn, if I may venture to say so, the clause would be much more satisfactory in working.

Mr. *Lloyd.*] I think we have shown the brine pumpers are anxious only to have an impartial board, the suggestion coming from the Chairman of the Committee would be a fairly impartial board.

Mr. *Kennedy.*] We fully endorse that.

Mr. *Mather.*] I should like to hear what the Winsford Local Board have to say to that.

Mr. *Pembroke Stephens*] The suggestion of the Chairman would meet our views, or we are perfectly satisfied with the original clause, but I think the scheme of the original clause would require correction to this extent. If you will look at the second head, "One-third by the owners of land in the district," the intention is I presume there should be a distinct class from the brine pumpers, but there are as a matter of fact owners of land who are also brine pumpers, and therefore it would be necessary to introduce the words that one-third should be owners of land not being brine pumpers. With that correction we are perfectly satisfied with the original clause.

Mr. *Lyell.*] Brine pumpers or persons who are interested in the pumping of brine.

Mr. *Pembroke Stephens.*] If you please, Sir.

Mr. *Kennedy.*] It would make it extremely difficult to have that a new sort of register for that purpose, namely, to classify people who are the owners of land.

Chairman.] How are you going to get a register of the owners of land. Is it to be a 40s. freeholder, or what.

Mr. *Marshall.*] It might be Parliamentary register of freeholders or the Local Government Board might make provisions for that purpose which is a common thing for them to do. The owner is on a separate list of course.

Mr. *Mellor.*] On behalf of the Winsford Local Board we quite fall in with the suggestion of the Committee that one-third should be appointed by the Local Government Board, one-third by the Sanitary Authority, and one-third by the brine pumpers, and if the Committee think fit the Local Government Board might have the appointment of chairman.

Chairman.] The proposal the Committee agree on is that there should be a third by the local authority, a third by the brine pumpers, and a third appointed by the County Council of Cheshire.

Mr. *Marshall.*] Then, Sir, I take it it will be necessary to introduce the qualification spoken of by Mr. Pembroke Stephens, that in all the cases it should be "not being brine pumpers."

Chairman]. I do not think you can control the county council as to who they are to appoint. I think if you appoint an independent authority you suppose the independent authority will not take people who are interested directly on one side or the other. I should hope they would appoint members who did not reside in the district if possible. You cannot control them; it would be a public appointment almost. "The members of the county council not being brine pumpers."

Mr. *Kennedy.*] There are 76 members of the county council, and whereas the President of the Local Government Board would have no difficulty in nominating such person or persons as he might think right, it is, in our view, very objectionable to have a sort of election made by 76 people, who would be canvassed to appoint a number.

Mr. *G. A. R. FitzGerald.*] There should be some finality to this discussion.

Chairman.] I sit on the county council, and I hope the county council of Cheshire is as pleasant as that of Kent. I think your greatest trouble would be to find people to serve. Instead of having "owners of land," we will say, "to be elected by the county council of Cheshire, not being brine pumpers."

Mr. *Marshall.*] Should not the wording be something like this: "Of the members of every compensation board, one-third, not being brine pumpers, shall be appointed by the county council of the county in which the district is situate"?

Chairman.] Yes, it must be, because there is a county council for each district.

Mr. *Marshall.*] It may be Worcestershire or Durham.

Mr. *Lyell.*] Will you read those words again?

Mr. *Marshall.*] "Of the members of every compensation board, one-third, not being brine pumpers, shall be appointed by the county council of the county in which the district in which the district is situate, one-third shall be appointed by the brine pumpers within the district" (that will involve an alteration of one word only) "one-third, not being brine pumpers, shall be appointed by the sanitary authority or authorities having jurisdiction within the district."

Mr. *Story-Maskelyne.*] Cannot you leave out the words, "Not being brine pumpers in the first of your categories"?

Mr. *Marshall.*] I thought it was settled they should be in.

Mr. *Gainsford Bruce.*] You do not propose to put in brine pumpers not being owners of land.

Mr. *Kennedy.*] I think it ought to be both ways if you have it in at all.

Mr. *Marshall.*] I apprehend it might be difficult to obtain persons on the county council who are not owners of land.

Mr. *Story-Maskelyne.*] Can a brine pumper in the Winsford district be a member of the Northwich Board according to that, or *vice versâ*?

Mr. *Marshall.*] The persons who appoint are persons in the district, but as to the persons they are to appoint there is no restriction.

Chairman.] That he is not to be a brine pumper.

Mr. *Story-Maskelyne.*] But he may be if he is a brine pumper in another district. Read the first again.

Mr. *Marshall.*] "One-third not being brine pumpers shall be appointed by the county council," and so on; "one-third shall be appointed by the brine pumpers within the district; one-third not being brine pumpers shall be appointed by the sanitary authority or authorities having jurisdiction within the district."

Mr. *Story-Maskelyne.*] No brine pumper in short can be appointed except by the brine pumpers' body.

Mr. *Marshall.*] That is so.

Mr. *Story-Maskelyne.*] That is all right.

Mr. *Marshall.*] Then there is a little alteration required in the 2nd sub-section in the 4th line: "and if they are appointed" instead of "election," and the 5th line to come out.

Mr. *Kennedy.*] You want both; you want "appointment" and "election."

Chairman.] Some are to be elected by the brine pumpers.

Mr. *Marshall.*] The word appointment would cover both.

Chairman.] You had better leave the words "election" and "appointment."

Mr. *Leake.*] You do not alter election in the case of brine pumpers?

Mr. *Marshall.*] Yes, I have said appointed in every one of these cases.

Mr. *Leake.*] Do the brine pumpers appoint or elect? I think you must leave in the word election.

Mr. *Pembroke Stephens.*] You will have to alter Sub-section 2 if you strike out the word election.

Mr. *Marshall.*] Then if election is left in, the machinery will have to be left in for election, and therefore the fifth line would not have to be struck out.

Mr. *Leake.*] "For their election, appointment, or retirement."

Mr. *Kennedy.*] That is it. If the three are put in it is all right; and then I think we ought to have after the words "to vote at elections" prescribed by the Local Government Board the number of votes to which each brine pumper shall be entitled. Something of that kind will be required to put in as to what the qualification of election is to be.

Mr. *Marshall.*] What words do you suggest?

Mr. *Kennedy.*] I mean after the words "and in addition to a register of persons entitled to vote at elections," "and to the number of votes to which each brine pumper should be entitled."

Chairman.] I think it is clear the Local Government Board must regulate the system.

Mr. *Lloyd.*] I was going to ask that on behalf of the Salt Union.

Chairman.] Very well, the words will be added after election, "and the number of votes to which each brine pumper shall be entitled." Then there is nothing more on Clause 10.

Mr. *Kennedy.*] No. Then Clause 11 will want a little altering. "The Board shall at their first meeting after constitution and at their first meeting in each subsequent year choose one of their members to be vice-chairman."

Chairman.] You see we have struck out the proposal that the Local Government Board should appoint a chairman, so that it will have to remain as it was.

Mr. *Kennedy.*] Yes, I think so.

Chairman.] The clause will remain as it was, and there is no alteration.

Mr. *Kennedy.*] I think so.

Mr. *Lloyd.*] That will probably apply to my suggested clause also. Mine was that the member of the Local Government Board should be appointed chairman.

Chairman.] Then in Clause 12 there is no change.

Mr. *Kennedy.*] No, and in 13 there is no alteration now necessary. There is nothing until we come to Clause 17, and there there is only an addition of the words "and valuations" which may be very important. It will read "surveys and valuations."

Chairman.] Yes, that I think is quite necessary.

Mr. *Kennedy.*] Then again there is nothing until we come to Clause 20, and then comes a question to which we hope the Committee will attach importance, from our point of view, and that is as to the words "or obtained."

Chairman.]

Chairman.] Is there anything in this as to how long a person is to be elected and when he retires?

Mr. *Marshall.*] That will be fixed by the Local Government Board.

Chairman.] Does the Local Government Board regulate that?

Mr. *Marshall.*] Yes.

Mr. *Kennedy.*] That is provided in the second sub-section of Clause 10, the words in Clause 20 read "for every 1,000 gallons of brine raised or obtained."

Mr. *Balfour Browne.*] As I understand, my friend thinks the word "obtained" ambiguous, it is a little ambiguous and he suggests "pumped" or "raised," and I think there is no objection to that. Strike out the word "obtained," and that will have to be followed all through at various places.

Mr. *Kennedy.*] Then in Sub-section 3, "the compensation fund for a district shall be solely applicable to compensation for damage happening within that district." We propose to add to make it quite clear, "arising from subsidence caused by the pumping or raising of brine and the expenses of the board."

Chairman.] I think "arising from subsidence will do," but I rather doubt about the pumping because you might throw it upon people to prove it was caused by the pumping. I think "arising by subsidence within that district" you might have.

Mr. *Marshall.*] Otherwise the Bill which has been fought here might have to be fought over again in every compensation.

Chairman.] Yes.

Mr. *Kennedy.*] Before the Committee finally decide that, because it arises elsewhere, that would leave it open to say there are bad foundations, or any other cause. A man might come and say, my cellar has fallen in.

Mr. *Story-Maskelyne.*] Would it be subsidence where it was not caused by pumping.

Mr. *Kennedy.*] That is what I say; the words should make it clear.

Chairman.] I think it would be fairer to you to say you are not to be liable where you can proue it is from some other cause.

Mr. *Balfour Browne.*] Throw the onus upon them.

Chairman.] I think in this Bill we assume the damage comes from subsidence, but if you can prove it comes from any other cause you will not be liable, and if you want to put any clause of that kind in for your protection we shall be glad to see it. It is quite clear we do not want you to pay if a man happens to build his house on quicksand, and it falls down.

Mr *Kennedy.*] This is not a question of onus.

Chairman.] We will leave out the clause about pumping, or raising of brine, and if you want protection as regards that you can bring in a clause to get it.

Mr. *Mellor.*] In Clause 23 you will see the words, "The board shall disallow any claim for damage which in their opinion was not caused by subsidence.

Mr. *Kennedy.*] That is not the point.

Chairman.] We are not going to throw the onus on people to prove it is done by your brine pumping, and have this all over again,

Mr. *Leake.*] What is your proposed alteration?

Mr. *Kennedy.*] What I proposed to add was was this: "arising from subsidence caused by the pumping, or raising of brine, and the expenses of the board." We submit it, but the Committee have decided it. It does not deal with onus at all. It is merely declaratory.

Chairman.] I would rather not declare anything which I do not want to allow hereafter. We will leave out "caused by pumping."

Mr. *Lyell.*] Do you mean to insert any definition of brine, because we come to the question of brine here in this way, "the compensation fund is to be levied on one thousand gallons of brine." There is brine of all sorts of qualities; is it to be levied on brine of all qualities?

Mr. *Kennedy.*] That does not appear to have occurred to the promoters.

Mr. *Marshall.*] No one has raised that at all.

Mr. *Kennedy.*] If it came in it would probably be considered under 43, the definition clause.

Mr. *Balfour Browne.*] It does occur to me on Clause 20, that amendments can be added to what my friend says. As it stands now, it reads thus: "The compensation fund for the district shall be formed and maintained by the assessment and levy as in this Act, provided of such rate (not exceeding the limit or rate hereinafter mentioned) for every one thousand gallons of brine raised or obtained within the district, as the board from time to time think necessary, and order to be levied, arising from subsidence caused by the pumping or raising of brine, and the expenses of the board. But we also require there "and any costs allowed to claimants or objectors."

Chairman.] We declined to put in that they should have those costs.

Mr. *Balfour Browne.*] Quite so, Sir, but this has to come out of it. Supposing an objector comes and gets costs against us, what are we to pay them out of?

Chairman.] You mean legal costs, not Parliamentary casts.

Mr. *Balfour Browne.*] Legal costs.

Chairman.] Would it not do if we put the "legal expenses of the board," would not that cover any expenses of the board.

Mr. *Balfour Browne.*] I doubt it; the expenses of the board might be merely the machinery by which the board carried on its business.

Chairman.] Shall we say "and the expenses and the liabilities of the board," which would cover other liabilities which you may not remember; it would leave it open to other things too.

Mr. *Balfour Browne.*] It is said liabilities would not cover it; I should have thought at first sight it would. All we want is "and any costs allowed by the board to claimants or objectors." Supposing a person comes before the board and incurs costs, and costs are allowed, that would surely be a fair thing to put into the clause, as well as the expenses of the board.

Chairman.] Whom are they to be allowed by?

Mr. *Balfour Browne.*] By the board.

Chairman.] It would be not only allowed by but obtained against the board in an action. A man might obtain costs against the board in an action, and they would refuse to allow them.

Mr. *Balfour Browne.*] That would be an expense of the board, I think.

Mr. *Lloyd.*] Surely the other costs would come from the unsuccessful party, and not out of the fund at all.

Chairman.] What Mr. Browne means is, that, supposing a man made a claim which the board thought was a legitimate claim, and they would allow him his legitimate costs for doing that.

Mr. *Balfour Browne.*] That was it.

Chairman.] Then you think "expenses of the board" would cover the case where a man brought an action?

Mr. *Balfour Browne.*] I think so.

Chairman.] We ought to be quite sure about that.

Mr. *Balfour Browne.*] I think if we said "expenses and liabilities of the board," it would do.

Chairman.] That would do it; "expenses and liabilities" certainly would cover it.

Mr. *Story-Maskelyne.*] Any claim on the part of an objector, therefore, is at the tender mercy of the board, unless he chooses to go to law.

Mr. *Balfour Browne.*] I think it must be so.

Mr. *Kennedy.*] As regards Clause 21, there is an important suggestion which no doubt involves one or two important questions.

Chairman.] Are you and the promoters at one about this?

Mr. *Kennedy.*] I am afraid not.

Mr. *Balfour Browne.*] We are not at one, but a great deal of the clause, so far as I see, could be accepted. In the first place, may I point out in line 3 the words, "Subsidence has been caused by the raising and pumping of brine." They will come out consequent upon the decision of the Committee just now. But the main point of difference is "has happened after the formation of the compensation board." There are some others, but that is the main difference between my learned friend and myself. With regard to Nos. 4, 5, and 6 of Clause 21 of the Bill, I think they would have to come into the clause, but the main matter is that which I have mentioned, and I will deal with it in one word.

Mr. *Forbes Lankester.*] Might I point out that the taking out of Clause 21 of the Bill, and substituting this proposed clause, seriously affects the county council of Cheshire, because the class of property as to which compensation may be sought——

Mr. *Balfour Browne.*] I understand my learned friend desires to have certain words inserted in this clause?

Mr. *Forbes Lankester.*] Yes. I desire that the clause as brought forward by the promoters should stand so far as this is concerned.

Chairman.] That clause apparently assumes with regard to gas and water, and things of that kind, that they are struck out of the Bill, which we have not done yet, therefore we should have settled that question first, I think. Had not we better postpone this part until that question is settled?

Mr. *Balfour Browne.*] In answer to my learned friend, we are going still to propose, even if this scheme is accepted, that it should be accepted only subject to Sections 4, 5, and 6 of our Bill being incorporated with it.

Chairman.] I should have thought the most convenient plan would be to settle the question if we could as to the people who are to be included in the Bill and those who are not before we go on with the other clauses, because it must depend upon that how we settle those clauses. It is more a question of principle; I think we might settle that. What clause is that?

Mr. *Forbes Lankester.*] Clause 42 of the original Bill.

Mr. *Kennedy.*] As to Clause 42, which my friend has mentioned, if you will look, Sir, at page 17 of our printed amendments you will see that we have summed up all those who we think should be the excluded persons in addition to those who are excluded by the frame of the Bill.

Chairman.] That is Clause E.

Mr. *Kennedy.*] Yes, Sir; that raises it, I think.

Chairman.] I think it would be much better that we should go through that, and settle those questions. We can deal with the other questions much more easily.

Mr *Kennedy.*] You have already dealt, Sir, with the railway company. The Bill excludes the railway company, the canal company, and the county council, and I presume on account of its exclusion you have treated them as an independent authority to hold the balance in appointing the three sets of people.

Chairman.] The best way will be for the learned counsel who appears for the canal company to let us hear what he has to say, and show us how far his case differs from that of the railway company.

Mr.

Mr. *Bolton.*] I have the honour, Sir, to appear for the Shropshire Union Railways and Canal Company, and I do not think it will be necessary for me to call any evidence, because I have no doubt that the facts will be admitted. I will just call attention to paragraph 8 of the petition of the Shropshire Union. It sets out this, "Your petitioners are affected by the Bill in the following manner, and object to it for the following reasons. The Middlewich branch of your petitioners' system of canals passes through or borders upon one of the principal salt districts in the county of Chester," that is a canal which runs through the salt district, and it is in respect of that branch of the Shropshire Union Canal that I ask for protection, and of that branch only.

Chairman.] What do you say as to the canals with regard to the question of support?

Mr *Bolton.*] I am going to deal with that in a moment, Sir. Then the petition goes on, "Your petitioners said branch canal and their towing paths, and other works and property in connection therewith have sustained damage in the past, and will, it is apprehended, sustain damage in the future by reason of such subsidence. I do not think it will be necessary for me to call any evidence to prove that I have sustained damage. I am quite sure that my friend will admit that, like other landowners in the district, a canal is liable to subside by reason of the working of this salt. I do not intend to repeat the arguments which have been used by my learned friend Mr. Littler, but I wish to draw attention to the particular case of this particular canal company. The Shropshire Union was authorised under an Act as far back as the 7 and 8 of George IV., chapter 102. Section 12 authorises the construction of this particular cutting, as it is called in the Act of Parliament. The Section to which I wish to draw attention is Section 51, because that, I shall submit to the Committee, gives the Shropshire Union Canal Company absolute rights, and distinguishes the case from the railway companies' case, which has been already argued before you. The words of the section are as follows: "Provided always and be it further enacted" (*reading the Section*) without discussing which I do not wish to do further, the question as to the right of support which railway companies may have or canal companies may have, I submit that under those words the owner of minerals under our canal can only work in such a manner as not to prejudice or injure the canal. That is to say, he must have sufficient support to prevent the canal from being damaged in any way. I will also point out that it is under that Act, and that Act alone, that I have to raise my case. We do not come under the clause of the General Act of 1845. Of course that is my only point with regard to support. I do not intend to weary the Committee by repeating the arguments of my learned friend Mr. Littler. I am in this position: Of course I did not know what was in the mind of the Committee when they decided to reject railway companies and canals, and I do not know how far the rejection of those companies resulted from thinking they had no right to support; or because you thought they were benefited by the general trade of the district; but assuming first of all that it was a right of support, or rather a want of right of support that influenced the minds of the Committee, I say the case of the Shropshire Union Canal is entirely different from that of a railway company, because it is protected by the special Act, which gives it the right to support, and does not come within the clauses of the General Act. I do not think I ought to say very much upon the other ground. I cannot see myself that there is any reason for excluding either a railway company or a canal company upon the ground that they benefit by the trade of the district; because it might equally be said a district benefits by the existence of the railway company, or by the existence of the canal; and Mr. Balfour Browne, I think, said in in his opening speech, because Crewe depends on the existence of the London and North Western Company, that is no reason why the London and North Western should destroy houses in Crewe without paying compensation. I think it is exactly the same case here; that because, no doubt, the district benefits by the pumping of brine that is no reason ——

Chairman.] What is the general law as regards canals; is it the same as railways?

Mr. *Bolton.*] The same.

Chairman.] And you only claim special exemption under that Act?

Mr. *Bolton.*] We only claim special exemption under that Act.

Mr. *Story-Maskelyne.*] With regard to that particular clause you quoted it would seem your remedy would be only against the landowner. As I understand, you are guaranteed against subsidence due to the abstraction of minerals by the landowner.

Mr. *Bolton.*] On that point I take it that, strictly speaking, the right person to claim compensation might be the landowner; but my view is this, that the railway company has a claim against the landowner, even under the general Act, if he lets him down without giving him notice first that he is going to do so. You will remember, Sir, in the general Act notice is to be given.

Mr. *Story-Maskelyne.*] Yes.

Mr. *Bolton.*] Then the damage may be done immediately under the line or adjacent to the line. As you are aware, the railway company or the canal company can only buy the minerals which are actually under the line or within a certain distance of the line. I think it is 20 yards. Now, it has been held that a railway company or a canal company is entitled to adjacent support beyond that 20 yards. So I should say, in the first place, answering your question, that it is the landowner against whom the canal company ought to go. I say we cannot tell whether it is the landowner or the owner of the adjacent property.

Mr. *Story-Maskelyne.*] In that case you would have no remedy, I presume.

Mr. *Bolton.*] Yes, I submit we have. It has been held that a railway company has a remedy; that it has a right of adjacent support; that is to say, the right of support under the line itself or within a limit of 20 yards; but beyond that the company having no power to buy the minerals still has its right to adjacent support. Those I think are the only points. I really rely mainly on the section in our draft Bill.

Mr. *Balfour Browne.*] Then my friend relies on a broken reed, because this section will not help him at all. As you know the General Act with reference to railways was passed in 1845, and was called the Railway Clauses Act; and it gathered up into that Act a great number of clauses that had been in private Acts previously and were well-known. Now, this clause my friend has referred to is just one of those clauses, only it is defective. It is quite clear he is in the exactly the same position with reference to his canal as any railway company. The object was that railways might be made more cheaply; that they might run along the surface and not be compelled to take the minerals under it. If they had taken them they would have had to pay. This canal is in exactly the same position. It has not bought the minerals, and has not paid for them; and the owner of these is to be allowed to work them; but just at the end they say: "so as nevertheless not to prejudice or injure any such canal, or other works hereby authorised to be made," &c. (*the learned Counsel read a passage from the Act*). But that does not carry it a bit further. The minerals belong to the owner and he has a right to take them away, and he is in precisely the same position as any railway company, the only thing the owner could not do was, he could not take them away, and what was his remedy? Exactly the same as a mineral owner against a railway company. He says, "I will take those away unless you will pay me." This Act of Parliament did not take away the mineral owners' right to his mines. "If they are mine I have a right to take them away, unless I am paid for them," and this Act is only defective because it does not go so far as the Railway Clauses Act, which says that in the event of the owner wanting to work the mine he shall give notice, and then the railway company may buy, but then they will not buy the minerals and the support. This company has neither bought minerals nor support, and it is precisely in the same position as a railway company; there is no distinction between the one and the other.

Mr. *Leake.*] Has it not been recently decided in the House of Lords, in the case of the Lancashire and Yorkshire Company against Knowles; the same thing.

Mr. *Balfour Browne.*] That they have not got a right to support.

Mr. *Leake.*] Except by paying. That the mineral owner has a right to his minerals, and a railway company has a right to support, and they must adjust the two rights so that they shall not injure each other.

Mr. *Balfour Browne.*] That is so.

Chairman.] I think the Committee are of opinion that the canal is in the same position as railway companies.

Mr. *Kennedy.*] Now comes the gas or water companies.

Chairman.] I think what you must draw our attention to is this: I think the Committee, with regard to railways, have taken into consideration the question they are not entitled to support. Now, so far as I know, these companies are entitled to support, and you must deal with it on a different ground.

Mr. *Kennedy.*] No doubt it is on a different ground.

Mr. *Forbes Lankester.*] Might I point out that the exclusion of the county council is common to the proposal of the promoters and all my friends, Mr. Kennedy's clients. I thought it might be convenient it should be taken before those which are peculiar to Mr. Kennedy's clients. The county council is proposed to be excluded, not only by Messrs. Brunner, but also by the promoters of the Bill.

Chairman.] I think we had better go on as we have begun. We have only a quarter of an hour, and I think the gas will not take so long as that.

Mr. *Kennedy.*] With regard to the gas and water one of the most important considerations, as I said on the other question of the railway, is that this is to be viewed entirely as a new question. You have got a limited fund to deal with, a fund the limit of which gives, as you may say, the right of the promoters to press for the passing of the Bill. You have to distribute that fund; you have to see the right people and the right people only get payment. Now, the gas and water companies are bodies which have power by their own rates to protect themselves.

I am sorry to say I have not got at this moment, possibly the promoters can furnish the Committee with the information or will not mind my asking them to do so if it is present to their minds, but I am informed these very undertakings obtained Clause 5 when they got their powers, because they represented there were special difficulties in connection with the site upon which they were to be fixed.

Mr. *Marshall.*] I think it only went to this extent that they had power to charge a larger amount than is usual to gas companies, but never got it.

Chairman.] They did obtain that power on that ground.

Mr. *Marshall.*] On the ground that they were more liable to breakages and leakages than other districts.

Mr. *Story-Maskelyne.*] What is the price of gas?

Mr. *Marshall.*] The price is 6 *s.* maximum, the actual price is 4 *s.* 2 *d.*; they never felt at liberty to charge so much at 6 *s.*

Chairman.] How does that apply to the water company?

Mr. *Kennedy.*] The water company it would not apply to, that provision I referred to only applied to the gas company.

Chairman.]

Chairman.] It is rather a general thing. Does that apply to all the gas companies, or only to one.

Mr. *Kennedy.*] It applies to the only gas company that is at work there.

Chairman.] How about Northwich and so on?

Mr. *Kennedy.*] We will endeavour to get that information for the Committee.

Mr. *Story-Maskelyne.*] Winsford is lighted by gas, is it not?

Mr. *Marshall.*] Yes, without Parliamentary powers.

Mr. *Mellor.*] The local board are the owners of the water company and the waterworks, but not of the gas, which is a separate company.

Mr. *Kennedy.*] As far as regards Northwich, which is, of course, the neighbourhood of Messrs. Brunner's principal works, the water is in the hands of the local board, and they are able to charge rates of course in accordance with the requirements of the undertaking. But all thes have arisen since the subsidence through brine pumping, as it must now be taken to be taking place. They had all been started within that period, and with that knowledge and of course they enter upon the undertaking and calculations as to profits and contracts upon the basis of the risk through subsidence and therefore there is no injustice at all in assuming they have taken all the facts of the case into consideration and are themselves in a position actually as in the case of the gas company to get a higher rate, which they have got from Parliament because of that risk, which they knew of at the time as to their own foundations.

Now we submit to the Committee, and it is entirely a matter for consideration, and in our judgment a very important matter for consideration, that in this Special Act (we will call it of justice and equity) you must, it seems to me, at the same time look at what classes you really mean to confer the benefit of this legislation upon. There is no doubt that gas companies and water companies, and we say public companies generally, get a distinct profit, they have their own special protection, and they have no claim to say "we are put in a worse position than we thought we should be in when we started, and therefore we ask for redress." We submit by their drawing just as they do draw almost as much as a brine pumper or an alkali manufacturer. Why should not he be benefited if he is also a loser? because he has direct interest in that which creates the mischief. I think public bodies, like individuals, are drawing an actual advantage from the business, and may fairly on that ground be excluded. Therefore on that ground, I put it, you should draw the line as you drew the line with regard to the railway company and the Trustees of the River Weaver. Those public companies can never be put into any great difficulty, because they have a power to draw by rates and taxes, and have a great benefit from the maintenance of the industry which it is sought to tax.

Mr. *Pembroke Stephens.*] On behalf of the gas company I am surprised at the proposals of Messrs. Brunner, Mond and Company, because whatever may be the profits of the gas company on which my friend has dwelt, Messrs. Brunner, Mond and Company have taken good care statutorily to keep the profits to themselves because at the time the gas company was before Parliament, Brunner, Mond and Company insisted on a clause reserving to themselves rights to make gas and get profits for themselves out of their own gas manufactory, "Nothing in this Act contained shall operate against or affect the right of Messrs. Brunner, Mond and Company, Limited, from manufacturing and supplying gas for the purposes of their works, and for the supply of their tenants, on land now belonging to Messrs. Brunner, Mond and Company." So that for the purpose of their own works, and for the purpose of their own tenants, they are a gas company, and the last persons I should have expected to have raised this question were Brummer, Mond and Company. Their gas profits may appear small by the side of other brine profits, that I am quite prepared to hear, but I must say I did not expect an attack from that quarter. You will remember, Sir, when the question was what further evidence should be called before you, one of the heads of evidence which you would have had if the case had gone on would have been two gentleman from Droitwich, and also the manager of the gas company at Northwich, who were prepared to speak to the to the amount of depreciation in consequence of subsidence there. Owing to the course the case took, of which I do not complain, you had not before you the case of the gas company as to the extensive and unusual amount of subsidence in this district. We have had taken out returns of the amount (without going into particulars), and the comparative amount of subsidence in this district, and we find it is out of all proportion to any towns which can be mentioned in the same category. I will merely remind you of what you have heard in gas cases, that there is a well-known standard, a certain proportion of leakage, and if you get beyond that you find that there is something wrong, and you say, "Here is something which is wholly unaccountable." Even beyond the proportion of leakages in the district the leakages of this gas company, as you might expect from the circumstances of the case, are out of all proportion. Now that, even under the scheme of the Bill, we do not get anything for. The modest proposal of the Bill, and the just proposal as far as it went was this, that compensation should be paid with respect to gas-pipes, and the expense of raising, lowering, diverting, or making good the same.

Now, I may tell you, and I have the evidence in the room, every possible care and precaution that could be taken with regard to gas working, in the exceptional working of gas has been taken here, even to india-rubber joints, I am told. So that if the pipes should be deflected or strained, there should not be an immediate escape of gas, but in spite of that, this utterly abnormal loss has gone on.

Now, the scheme of the Bill did not propose to pay us a penny for loss of gas; what it did do

was this, the moment any of these breaks occurred due to any cause of our own, and which no precaution on our part can safeguard us against, that money should be found for putting that straight, and when my learned friend talks of the amount and security that the Act is supposed to give us as regards any loss from this, was this the clause and the only clause in the Bill (because the impression one would gather would be that from first to last this was a sort of subsidence entirely which would meet every possible case). The only reference as to it was this clause which I will read: "The price to be charged by the company for gas having regard to the increased cost of supply by reason of the natural subsidence of the surface of the ground." (I should have said unnatural subsidence) "within the limits of supply shall not at any time exceed 6*s.* per 1,000 cubic feet." That is the whole of the reference to it in the Bill. How is that any remedy to us?

Mr. *Story-Maskelyne.*] The price is 4 *s.*, I understand.

Mr. *Pembroke Stephens.*] It is 4 *s.* 2 *d.* The 6 *s.* is an utterly impossible maximum, and if we had attempted to raise it we could not have done it. In these days, as you know, Sir, there is fierce competition in oil, and in other ways with gas companies, and the cream of our district, or one of the parts of it has been taken off by Messrs. Brunner, Mond and Company, and we are left with the rest of the district subject to these special circumstances. If I had had time to turn them up I know there are a number of cases where if anybody comes with new works, say a railway company or a corporation, comes with street improvements, or anything of that sort, a clause is put in as a matter of course, that the people making the works shall restore at their own expense, and restore to the satisfation of the company's engineer. Now this clause that is in the Bill is nothing more than that if a subsidence occurs the expense of restoring shall be paid out of the compensation fund, that is all it comes to. But what my learned friend Mr. Kennedy wants to put upon us, that under no circumstanees whatever shall we get a penny. Fow, that seems to us extremely unfair, and the unfairness is shown when you come to look at his own clause. He intends to exclude gas and water compunies, but when it comes to the case of a water undertaking which has passed into the hands of an authority he does not exclude that. I should like to know where the difference is in principle to a gas undertaking in the hands of a local authority, or in the hands of a company; the subsidence is exactly the same.

Mr. *Story-Maskelyne.*] Does the Northwich company pay any dividend?

Mr. *Pembroke Stephens.*] Yes, Sir, it does pay a dividend, but it has never paid the dividend it is authorised to pay.

Mr. *Story-Maskelyne.*] It pays a reasonable dividend.

Mr. *Pembroke Stephens.*] Yes.

Mr. *Story-Maskelyne.*] And charges 4 *s.* for its gas.

Mr. *Pembroke Stephens.*] It is pressed against us that we might charge 6 *s.* which we have never sought to do. We might pay a dividend of 10 per cent., but we have never done it. What we have done is, we have worked consistently in the face of very great difficulties. I am told that the shares of the company (it is not a Gas Light and Coke Company, it is a local undertaking), are largely held by a number of people who are in a humble class of life, and to whom the receipts are a very important consideration in their ordinary revenues.

Chairman.] Suppose we were disposed to allow the gas and water companies to have compensation, how are you to prevent them from laying down new mains all over the town, if they can do so or put them into good repair at the expense of the compensation board: how are you to prevent their spending any amount upon them in that event?

Mr. *Pembroke Stephens.*] As far as leakage goes that is eliminated.

Chairman.] What I mean is this, supposing that they have their mains laid down in a street and have gone on using them although they have not been very good. Then supposing that the street goes down. If they could come to the compensation board for that they might say: "We must take the whole street up and lay down fresh mains." How are you going to deal with that case?

Mr. *Pembroke Stephens.*] I take it that the board in the case of all claims coming before them would be obliged to exercise a discretion and say, "If you are going to make a claim it must not be an unreasonable one."

Chairman.] That will be a fine thing for the lawyers.

Mr. *Pembroke Stephens.*] Well, Sir, you will make it subject to any reasonable control, no doubt. Take this case: the Northwich Local Board have spent something like 45,000 *l.* compulsorily in supplying their district properly, and they do supply their district properly, with water. Some five or six miles of those pipes run through their district, which is of a somewhat shaky character. Is damage to be done at any moment to these pipes, and no provision made for the restoration of them?

Wednesday, 22nd April 1891.

MEMBERS PRESENT:

Mr. Gainsford Bruce.
Mr. John Gathorne-Hardy.
Mr. Leake.
Mr. Lyell.
Mr. Story-Maskelyne.
Mr. Mather.

THE HONOURABLE JOHN GATHORNE-HARDY, IN THE CHAIR.

Chairman.] WITH regard to this gas and water company question which we have been considering, I forgot to say, but it is quite clear it would be all gas and water undertakings, whether in the hands of a company or a local authority; they would all be on the same footing. Whether they are inserted or struck out, whatever it is, it would apply both to the undertaking, whether in the hands of a local authority or a company. We should not treat a company differently from a local authority.

Mr. *Kennedy.*] I quite agree it would be so, particularly where a company comes forward and has obtained statutory powers, which cannot, of course, be very well interfered with.

Chairman.] A local authority must obtain statutory powers too. They are in exactly the same position.

Mr. *Freeman.*] I hope you will allow me to say a word or two on behalf of the local authority, which in the case of Winsford owns the water supply.

Chairman.] You will be able to argue the question whether it shall be included or not, but it is quite clear they stand in the same position. Whatever is decided for one must be decided for the other.

Mr. *Freeman.*] I do not think they are, with great respect. I have nothing to do with the gas company. I leave their Counsel to argue the point, and he has argued it; but on behalf of the local authority I desire to say this: The local authority here own the water pipes for the supply of persons in their district, as a public work without any profit at all, because they are absolutely restricted as to waterworks from making any profit on the sale of water, and as regards that authority their water pipes, I submit, are clearly in precisely the same position as would be the sewers.

Chairman.] I might ask one question now as bearing on all these matters: that is in what proportion are the rates borne by the various brine pumpers to the rates of the district as a rule?

Mr. *Freeman.*] I believe, Sir, about half, speaking for Winsford.

Mr. *Marshall.*] I understand, as a matter of fact, the brine pumpers do not pay more than a fourth or fifth of the whole rates in Northwich?

Mr. *Freeman.*] I was speaking for Winsford.

Mr. *Marshall.*] In Northwich the rateable value is 350,000 *l.*, 50,000 *l.* of which is assessed to the brine pumpers roughly.

Mr. *Freeman.*] But in Winsford, Sir, it is somewhere between a third and a half. What I wish to say is this: I cannot see in the hands of a local authority that there is any practical difference in the position; whether it is a pipe conveying water for the use of their inhabitants and sanitary purposes, or whether it is a pipe conveying sewage equally for sanitary purposes. Now if they are in the same position, clearly the local authority is brought under the provisions, practically speaking, of the Public Health Act of 1883, which was an Act passed to do away with various doubts and difficulties which had arisen as to the right of a local authority to the support of its pipes, and to set aside the difficulties which had arisen in the courts of law in consequence of two sets of decisions, one set of decisions arising in the case of Dudley, that the local authority, the moment they put their pipes down, were entitled to support, and therefore must pay for the right of support, and the other the conflict between the Metropolitan Board as to their main sewer, and the Metropolitan Railway, that the local authority had no right to lateral support, and therefore that anybody might pull down their lateral support, and let down their sewer or pipe without any remedy. In order to get over that difficulty the Act of 1883 was passed, which says that the local authority should not have by merely laying their pipes a right to support; but that they might give notice to anybody who was the owner of minerals underneath them of their desire to have certain support, not restricted and not extending necessarily as far as the right to support under the Railway Clauses Act; but without limit of more or less such amount of support both underneath and laterally as the local authority might deem necessary. On giving that notice they then had to purchase the minerals, secure the interest of the owner of those minerals, and then had a right for all time to the support.

But there was this difference in that case to what there is in this. There was underneath, and what if not purchased would be worked away, the solid material in the mine.

Chairman.] This is the old question of course, whether it is solid material or this brine which you cannot follow.

Mr. *Freeman.*] I am not going over the old ground I assure you, Sir

There was this difficulty, that whereas in the case of the solid mine there was something which, if the sewer burst, would flood them out and cause them an immense amount of mischief, so that they were bound in their own self-protection to work the mine so as to cause the least possible injury to the owner of the pipe; that is, the local authority. In the case of the brine pumpers, it does not matter to them what happens if the pipe sinks and bursts. It would not affect them; they go on just the same pumping the brine. Then comes the same point, that you cannot actually put in force these clauses against them, because you cannot say they are the owners precisely of what is being taken away. Therefore we are left in the position, unless we are allowed as a public authority, both as regards our sewer pipes and as regards our water pipes, to come under the protection in these clauses, we should be unable to put into force in one portion of a mining district a Public Act which was passed in 1883 for the protection of the local authorities in mining districts, and we should have to be constantly repairing these thing at the expense of our ratepapers, a very large portion of whom are poor people who can least afford to pay an increase of rates. Therefore I do submit in this case what we are asking for is simply to extend logically the policy of the Act of 1883, to enable us to receive compensation if the mine owner lets us down in such a way by careless and negligent working as to cause us this injury, over which we have no control, and no way of obtaining compensation.

Chairman.] That is practically the case for the sanitary authority included in the Bill?

Mr. *Freeman.*] Yes, Sir, they are the next people named; of course I had to argue the two cases together.

Chairman.] I mean, that covers the case of the sanitary authority,

Mr. *Freeman.*] Yes, the only distinction as to water is that the sanitary authority cannot make any profit, and a water company can pay high dividends.

Chairman.] We will hear now what has to be said for the county council.

Mr. *Forbes Lankester.*] I would submit that my friend has put me rather in a difficulty, because when Mr. Balfour Browne opened the Bill for the promoters, he treated this question of the inclusion or exclusion of the county council from the benefits of the Bill as a question merely of clause, and therefore no suggestion had been made to the Committee upon what grounds and for what reason they proposed to exclude the county council. I thought I should have had the opportunity of learning from my friend Mr. Kennedy, who has brought forward a similar clause (but more extensive than that of the promoters), the ground on which he would suggest the county council should be excluded from the benefit of the Bill.

Chairman.] I think it would be fair that Mr. Kennedy should say what are the general grounds before you go on. You have had no reason given why the county council should be excluded, you mean?

Mr. *Forbes Lankester.*] Precisely, and I do not know how to meet the matter.

Mr. *Marshall.*] Perhaps it might be more regular on the part of the promoters if one were to offer the reasons why it occurred to them the county council should be excluded. The main reason is this, that during a number of years past the predecessors of the county council have been in the habit of receiving from the River Weaver Trust a considerable sum of money, which during the whole period has amounted to a sum of not less than a million and a half. Of course a part of that would be before the subsidences began but still a very large portion of it would be after the subsidences commenced, which I suppose we may take roughly as being 40 or 50 years ago. It is perfectly true that at the present time in consequence of the outlay upon the River Weaver and the property surrounding belonging to the trust there is no money payable to the county, but that, I take it, would only be a temporary matter, and there can be little doubt in consequence of these very improvements, not only will a very large sum of money be payable over to the county council, but it will be increased from the way in which the money has been expended, and it is to be assumed judiciously expended, by the River Weaver Trustees. The provisions of the Railway Act, 7 Geo. 4, c. 10, was that the monies arising from the tolls or such margin of monies as should be disposable for the purpose should be expended on the roads in the vicinity of the river; and if that had remained so there would be probably less objection to be raised in this matter, but by a subsequent Statute, 47 Geo. 3, c. 82, s. 43, that provision was made general, and made to apply to the whole of the highways in the county and to such other public charges and uses in the county as the justices of the peace in quarter sessions should determine. Hence it has been during the long period I have mentioned they had the power of using the monies to which I refer for the purposes set out in the Act. In regard to the property in respect of which claims may arise proceeding from the county council they would be in the first place, I take it, main roads. Now the funds which they have in hand would be ample I take it for the purpose of satisfying any claim for subsidence in respect of main roads which had suffered anywhere in the vicinity of brine pumping stations. It was suggested by my friend yesterday that things like asylums might also be subject matter of claim, but there are only two asylums in the county of Chester, one at Chester and the other at Macclesfield, therefore it is unlikely, if not impossible, any

claim

claim should arise in respect of those. There might also be claims in respect of police stations, but those there would be no difficulty in covering out of the fund to which I referred; and as that fund proceeds immediately from the salt industry, and is likely to be increased as the industry itself is increased, it is suggested on the part of the promoters that there is no substantial reason why the county council should be amongst the claimants who may recover compensation under the Bill.

The course taken by the Committee yesterday in making the county council a body who should nominate three of their representatives on the board of compensation would strengthen that position. Supposing they are to have no claims to compensation, they would be entirely an independent body. If they were made claimants that position would cease, they would have an interest, and therefore either what the Committee have already determined upon would have to be probably revised, or the claim which it is suggested they should be able to make would have to be denied them.

Mr. *Forbes Lankester.*] Might I remind my learned friend, the Committee have also provided for a third of the board to consist of landowners who clearly have claims.

Chairman.] No, we have not; the county council was to take the third position.

Mr. *Forbes Lankester.*] I submit it does not lie in my friend's mouth to object to interested parties serving on the board.

Chairman.] He is perfectly right, because we stated here positively it was an oversight on our part until this question was settled that we took the county council as being an impartial body, and that was the reason we gave for taking that view.

Mr. *Forbes Lankester.*] You will not feel yourself so far bound by your previous decision as not to hear what I have to say.

Chairman.] It is quite clear if we take a different view we will have to reconsider them.

Mr. *Leake.*] Nevertheless, interested parties are still on the board of compensation; the brine pumpers.

Mr. *Kennedy.*] In answer to the suggestion of the Committee, might I add this: Certainly, the last point made, which was evidently so present to the Chairman's mind, seemed to us the most important of all, because we should be very glad, if the Committee should think right, and it was thought desirable, that the county council should be included as persons interested and having a right to claim, as the brine pumpers, with the Local Government Board, as the Chairman originally suggested, a suggestion we are quite ready to fall in with and accept willingly, and that the Local Government Board should make the nominations, but it certainly would completely upset the arrangement as well as the grounds stated by the Chairman yesterday, if the county council is to come in as a claimant, and yet at the same time apparently hold the scales, which, under the three divisions of the components of the board, it was intended they should do. True, that may be remedied by making the Local Government Board the nominator, otherwise there would not only be an interested party, but an overwhelming interested party obviously outnumbering altogether any representation of those who would have to pay the tax. With regard to the county council itself I do not want to say more than this: That our view was, which we submitted to the Committee, that all public bodies who take an interest in salt should be excluded from the right to compensation, and I just would say this: That if the Committee should think my friend Mr. Lankester's clients ought to come in in any form certainly as regards Cheshire, I should respectfully ask the Committee to consider whether they would not in that case make it part of this Act that whatever contribution is got from the River Weaver tolls, which, in one case at any rate, amounted to more than 15,000 *l.*, that that sum certainly which is drawn from salt should be thrown into the compensation fund, and I am quite sure that those whom I represent, speaking off hand, would not have the slightest objection to the county council being possible claimants upon that fund if they would kindly hand over to that fund even a substantial portion of the actual income which they are deriving for the benefit of every ratepayer all over the country from the very salt trade as to which we are further asked to be taxed. I think that would be a fair suggestion if they are to come in at all.

Mr. *Forbes Lankester.*] May I point out that my learned friend's remarks are somewhat inconsistent with the clauses he has brought up, because the brine pumpers, for whom he appears, propose in their clauses to exclude all county councils and all public bodies, and I certainly understood in that matter they relied upon the fact that they were public bodies and were somewhat closely interested, therefore, in the prosperity of the brine pumping business and industry of the district, and that they therefore ought to have no compensation. I can understand my friend Mr. Marshall's contention, and the contention of the promoters which my learned friend Mr. Kennedy now seems inclined to support, that the County Council of Cheshire has no right to compensation, although other county councils might, not on the ground that it is a public body, but on the ground that it was so fortunate more than 150 years ago to obtain an Act of Parliament, or derive benefit under an Act of Parliament, passed without any consideration at all as to this question of subsidence, and they were so fortunate that the benefit they obtained under that Act of Parliament has been confirmed and extended in a series of Acts of Parliament in 1721, 1759, 1807, 1829, down to the years 1866 and 1872. It comes to this, that they say because the county, or persons in the county, or rather the persons who originally promoted the Weaver Navigation, were so public spirited, that they provided that after taking for themselves only 5 per cent. as capital expended, the surplus profits were to go into the hands of the county for the benefit of the high roads and other bridges and other county purposes. That because those gentlemen were so

public spirited as to do that in the year 1721, and because their act and conduct in that matter has been confirmed and approved by Parliament in a series of Acts of Parliament since, therefore the Cheshire County Council is to be put into a different position to every other owner of property in the district.

Chairman.] Now is it not a matter of fact that the county council is precisely in the same position with regard to its roads as a railway, and not entitled to support unless they purchase it?

Mr. *Forbes Lankester.*] No, Sir; let me point out there are two classes of property affected in this matter. We are not only interested in the main roads, but also interested in our county buildings. My friend Mr. Marshall says there is no county asylum within this district, and I take it from him; but there are police stations and court houses which are maintained, and which are the property of the county council, which were the property of the county justices, and which were transferred under the Local Government Act of 1888, to the county council. As regards that property the Cheshire County Council stands in precisely the same position as the owner of any other private property. The soil is vested in them to the lowest depth, the surface of the soil throughout belongs to the county council, just as it does to any other freeholder in the district, and as regards that I cannot conceive why the County Council of Cheshire should be put in any different position to any other owner of property. But of course there are certain properties which stand on a somewhat different footing.

Mr. *Gainsford Bruce.*] Do you say the County Council of Cheshire possesses the soil below the surface, the actual property.

Mr. *Forbes Lankester.*] It possesses the soils where the county buildings stand as far as lunatic asylums, police stations, and other matters which belong to the county council are concerned. There they have the rights of ownership exactly similar to that of any other landowners. As regards that, it is of course impossible to contend that they come in any way within the principle which seems to have guided the Committee in dealing with railways. But of course there is another class of property which I ought to mention, that is the main roads and bridges. As you know, the bridges and the approaches to the bridges within a certain distance (I think 200 yards) have always been vested in the county justices, and it has always been the duty of the county justices to maintain those bridges, and they were always liable for the expenses, and if they failed to put those bridges in repair, they were liable not only to civil actions, but to actual indictment for non-repair of the highway. Now it is perfectly clear they have always had a right quite different from a railway to support. If those bridges were let down by the action of any mineral owner, it is clear, they being liable to repair, had a right against the mineral owner for taking away their support.

Chairman.] Is that clear? I do not know what the law is but it must have arisen, surely. Have they any claim under those circumstances? Do the county authorities, as a matter of fact, in a colliery district buy the supports under the coal?

Mr. *Forbes Lankester.*] No, they have no power to. The Railways Clauses Act provides special statutory provisions as regards railways.

Chairman.] I mean it is a matter of fact and perfectly clear, I presume, that a road is only a right of way over a landowner's property.

Mr. *Forbes Lankester.*] The surface of the road is vested in the highway authorities.

Mr. *Kennedy.*] Only for a highway.

Chairman.] Surely they are not any more entitled to support than anybody else who has a right of way over the surface?

Mr. *Forbes Lankester.*] Yes.

Chairman.] Can you bring forward a case in which it is so decided? I cannot take your statement unless you can.

Mr. *Forbes Lankester.*] The only reason why a railway has not the right is because there is a special Parliamentary provision to prevent them having that right, and to enable them to exercise an option of purchase if necessary. There is no such option given to the highway authority.

Chairman.] Because I presume it is considered the question of subsidence of a road is so trivial, that it was not thought worth while.

Mr. *Pembroke Stephens.*] I think, Sir, if I may interrupt, the latest decision comes to this, that the highways' authority, or at all events, the Local Board, which, for this purpose, represents the highway authority, has a right, not only to the surface, but to so much of the soil as is requisite for laying their pipes, sewers, and drains.

Chairman.] Surely in a colliery district where a local authority lays drain pipes they are compelled to buy the coal, if they want support; they have no right to prevent your getting your coal under their drain pipes, have they?

Mr. *Freeman.*] Yes, under the Act of 1883, which was expressly passed with that very intent. They have an absolute right to give you notice, they require you not to work within any distance they choose.

Chairman.] Yes, but they have to pay for it.

Mr. *Freeman.*] Yes.

Chairman.] That is exactly what I say.

Mr. *Forbes Lankester.*] I want to explain the character of a main road, although probably the Committee know it.

Chairman.] Surely you are not going to contend they are in a better position with regard to a main road than with regard to a drain pipe. If the legislature provides with respect to drain pipes, which is very important, that they are obliged to buy their support, they are not going to say they are entitled to the support of the main road, which is unimportant.

Mr.

Mr. *Forbes Lankester.*] Of course the county council is not interested in drain pipes.

Chairman.] I do not think you need argue that they are entitled to support in the case of a road when it is laid down by the Legislature they are not entitled in the case of drain pipes.

Mr. *Forbes Lankester.*] It is laid down by the Legislature they are entitled to support in a main road, and I am going to call attention to it. The main roads as you know have been dis-turnpiked since 1870, and became vested in the county councils under the Act of 1888. Previously they they had to be repaired and maintained by the Justices as to one-half, as to one-half by the highway authorities, and in respect of each half there was a grant-in-aid from the Government. That grant-in-aid has gone. There has been a new adjustment of local taxation, and the county council now own the main roads, and are responsible for their maintenance. In the General Turnpike Road Act of 7 & 8 Geo. 4, c. 24, there is a special proviso as to the working of minerals under a road. The side-note is, "Minerals under a road belong to original proprietors of land"; but then it goes on and says: "who may work such mines in as full and ample a manner as if the said land had not been taken and appropriated for the purposes aforesaid; so that in the working thereof no damage should be done to any such road or any part thereof." That I conceive gives absolutely the right to support, and I conceive that under that Act, if a miner were to work his minerals under the road so as to cause that road to subside, he would be clearly liable for the cost of repair.

Chairman.] But that is a very old Act, is it not?

Mr. *Forbes Lankester.*] That is the Act of 7 & 8 George 4.

Chairman.] And since that there has been an Act to say, if a man has got his pipes, then he must purchase his support; that is to say, you maintain that Act gives him a right of support to his road, and he is not entitled to support to his pipes which are under his road. How are those two things compatible; you must go by the last Act, surely?

Mr. *Forbes Lankester.*] No, the Act my friend Mr. Freeman has referred to has no relation to this Act.

Chairman.] Pipes always are laid in roads as a matter of fact?

Mr. *Forbes Lankester.*] It does not follow that the drain pipes will run under the road at all.

Chairman.] They do 99 times out of a hundred.

Mr. *Forbes Lankester.*] In many cases no doubt, but it does not at all follow they will run under a turnpike road or main road.

Chairman.] What I mean is this: here you have an old Act which no doubt has apparently given a certain right, but clearly it has been considered it was not the law here since that, because if a pipe is laid in that road they are not to have the right.

Mr. *Forbes Lankester.*] I do not think that follows at all if I may respectfully say so.

Chairman.] It is perfectly clear, I assure you, because if they want to keep a pipe up, they are compelled to buy the coal, and it is clear they have not the support unless they buy the coal.

Mr. *Forbes Lankester.*] It does not follow. Such subsidence as might injure a drain-pipe might not have any effect on a turnpike road. This Act with which I am dealing deals with turnpike roads. I have not the Act before me, and cannot argue with particular precision the Act from which my friend Mr. Freeman, I think, quoted from recollection. But however that may be, it is clear that that Act refers to drain-pipes, wherever they go, not those under turnpike roads, and it does not follow, because there is a right to support to a turnpike road, therefore, an Act of Parliament which subsequently presumed there is no right to support for drain pipes is inconsistent with it.

Mr. *Story-Maskelyne.*] What drain pipes go under public roads outside of towns in the country?

Mr. *Forbes Lankester.*] I suppose the general sewage, whatever it may be, may be taken under the road.

Chairman.] I do not know that it would outside the towns.

Mr. *Story-Maskelyne.*] It would only apply to towns, I presume.

Mr. *Forbes Lankester.*] Do you mean the provision my friend has quoted, Sir?

Mr. *Story-Maskelyne.*] Yes.

Mr. *Forbes Lankester.*] I really cannot say. I am sorry I have not considered this Act which has been quoted.

Mr. *Freeman.*] The Act which I quoted refers purely and simply to pipes in a mining district worked in the ordinary sense of mining; and it expressly reserves in all cases the right which was decided by the Court of Appeal in the Dudley case, namely, that the owners of the land underneath must preserve subjacent support for the drain pipes.

Mr. *Forbes Lankester.*] I think with that explanation (I am sorry I have not the Act), that there is nothing inconsistent between my contention that there is a right to support in a turnpike road, and there was a right of support given by the Act of Parliament; and the fact that it required, or it was thought to require another Act of Parliament to give a right of support, or to provide for a right of support, in the case of drain pipes in certain cases. It seems to me, if I may so, that this Act which my friend Mr. Freeman quotes, is an Act which is rather in favour of the mine owner. It is rather to diminish his natural liability which he would be otherwise under, to support drain pipes and to support the roads. In favour of him, certain provisions are introduced under which, inasmuch the right of buying his minerals is exercised by

the local authority, the local authority in a mining district ceases to have the rights which a local authority has everywhere else. And this is not a mining district as my friend points out.

Chairman.] That is the whole question we are considering.

Mr. *Forbes Lankester.*] I understand it is not a mining district as defined in the Act, and as specified in the schedule to the Act.

Chairman.] I do not think this is really very important. I should not labour it at all. I think we quite except that that old Act gives you support.

Mr. *Forbes Lankester.*] I do not know whether the honourable and learned member will bear me out on this point, but under the General Turnpike Roads Act there was a right of support of turnpike roads, and the fact that subsequent Acts of Parliament provided for some other right in the case of drain pipes applicable to mining districts, was not inconsistent with the right of support having been retained by the turnpike road. I then proceed to point out that these turnpikes are, transferred—become disturnpiked (the same rights of course attaching to them)—and they are, under the Act of 1878, the main roads which again under the Act of 1888 became vested in the county council; it is therefore clear that we are in this position, indeed the Act of 1878 provides for the vesting of the roads in the urban or rural sanitary authority; and of course roads vested in like manner under the Local Government Act of 1888 in the county council. Just as the district roads have vested in the local authorities, so the disturnpiked roads vested in the county council. I say, therefore, Sir, that we are in this position: I represent, you will remember, Sir, not merely the ratepayers of this particular small district, but I represent the ratepayers of the whole of Cheshire. A ratepayer in Birkenhead, for instance, is in this position: If a road is let down by brine pumping in this district, he has to pay his share of putting the road into repair. It is said that, although he has to bear that burden, he is not entitled to the relief which you are giving to everyone else who is damaged and injured by the brine-pumping operations. Now, I do submit that is most unjust. As regards the buildings, it seems to me clear that it is unjust. As regards the main roads and bridges, I think it is equally plain that the ratepayers in other parts of the county should not, because they happen to have a public duty cast upon them of maintaining these roads, be put into a worse position than other persons whose property is injured.

One word as to the River Weaver Navigation. You see that the Bill of the promoters, and I think the amendment proposed by my learned friend Mr. Kennedy, would strike at the county council doubly. He proposes to exempt the River Weaver Navigation also from the operation of this clause. The consequence is they say we have had a large revenue (but we have had nothing from it last year) from the River Weaver, but they provide if the River Weaver is injured, and the navigation is injured, that there shall be no compensation to the River Weaver. They therefore diminish—they withdraw from us one of the means of earning our income, and, at the same time, they put in a provision that because we have that income we shall not claim compensation. So really they strike at us twice; they take away our sources of income, and then they say because you have that income you shall not not be entitled to compensation when you are injured.

I think I have pointed out that this argument as to the surplus funds of the River Weaver is quite inapplicable. They were funds which we were allowed to take years before there was any question of subsidence. I think you have had it in evidence over and over again that it was only within the last 20 years or so that there has been any serious question of subsidence. It is just within this last 20 years the River Weaver income has been diminishing. The amount of salt traffic carried by the salt owners is absolutely diminished; and our income is therefore diminished from that source. It is then said it was started in the year 1721, before there was any question of subsidence at all, for the purpose of compensating us for that subsidence, and on that ground they ask you to exclude us. I am sure you will not yield to that point of view, because it does seem to me quite clear that there cannot be any force in their argument.

I think I have put the point now as to the character of the revenues from the Weaver, and as to the injustice it would be to the county to treat that as in any way a fund which was intended by Parliament, or intended by the persons who endowed us with it as compensation for the injury we had suffered, because that is granted, I think. I do not think that my friend would call upon me to show that the cost of our main roads, owing to subsidence, came to about a thousand a year. Bridges in the same way are injured, and also the various buildings, and I say it is clear that that was never intended to be met by a provision as to the surplus funds from the River Weaver, because that was introduced years before there was any question of subsidence, and it does seem to me it would be a great hardship to use that now as a reason for putting us in a different position to other owners of property in the neighbourhood.

Mr. *Lloyd.*] May I say on behalf of the Sal Union that we support and adopt the clause at it originally stood in the Bill, and also the clause as brought up by Brunner, Mond and Company, because those two clauses are identical in omitting the county council and the River Weaver, and upon this ground. We say the River Weaver was formed for the purpose of the salt trade, the River Weaver's trade is confined altogether to the salt trade; if it were not for the salt trade they would not do anything. Therefore if we are stealing the brine they are certainly parties to our wrongdoing, because they are enabling us to take the stolen goods to market. The result of that is that the River Weaver are making a large profit unless they happen in one year to carry out any particularly large works, which they have just done, which accounts for their not paying a balance last year out of the salt trade. That affects the county council in this way: The River Weaver

pays

pays over the balance of their large profit to the county council, so that the answer to my friend Mr. Lankester's argument is this: If a ratepayer in Birkenhead, for instance, is contributing towards the expenses incurred in consequence of subsidence he is in this happy position, he is only paying the same rate that is being paid in the subsiding district, and he is receiving back from the salt trade a sum of from 10,000 *l.* to 15,000 *l.* a year.

Mr. *Story-Maskelyne.*] Is the money that is paid over from the trustees of the Weaver to the county council earmarked in any to meet the result of subsidence?

Mr. *Lloyd.*] No; it is paid to the county rate, I suppose.

Mr. *Story-Maskelyne.*] So that people in Birkenhead would profit by it just as much as those in the district?

Mr. *Lloyd.*] Yes, they are profiting by it. It cannot be suggested that the damage caused is anything like the amount paid by the Weaver.

Mr. *Story-Maskelyne.*] That is the point that is not suggested then, I understand?

Mr. *Lloyd.*] No, it cannot be.

Mr. *Forbes Lankester.*] Yes, Sir, it can. I do not think my friend is entitled to say what I do or do not suggest. I have said that we have not had any revenue at all. I do not know what we shall have in the future; the revenue is decreasing, and my friend who represents the Salt Union knows perfectly well that the amount carried by them on the river is much less than it was years ago.

Mr. *Mather.*] You do not suggest that in the nature of things this fund going to the county council will diminish year by year until it becomes nothing at all, do you?

Mr. *Forbes Lankester.*] I cannot forecast the future in that way; I do not know.

Mr. *Mather.*] The sources of revenue remain the same.

Mr. *Forbes Lankester.*] I should suggest it would be extremely possible, it will be found more and more convenient to send the salt by railway, in which case the income on the River Weaver will diminish.

Mr. *Story-Maskelyne.*] During the last 10 years, has the return from the Weaver been a sufficiently substantial return to meet these subsidences?

Mr. *Forbes Lankester.*] It has been very much larger, no doubt.

Mr. *Kennedy.*] I am told that the year before last they received 10,000 *l.*, and the year before that 15,000 *l.*, that is to say for two years they received no less than 25,000 *l.* for the general benefit.

Mr. *Story-Maskelyne.*] How much do you expect to raise by the 3 *d.* on salt?

Mr. *Lloyd.*] About 20,000 *l.* a year.

Mr. *Leake.*] And the damage to the county has only been about 1,000 *l.* a year?

Mr. *Lloyd.*] Yes.

Mr. *Forbes Lankester.*] I have a list of the amounts received from the beginning, and may I point out that in 1816 were ceived 18,709 *l.* at a time when there was no question of subsidence.

Mr. *Lloyd.*] And consequently when my friend suffered no damage he got 18,000 *l.* profit.

Mr. *Forbes Lankester.*] Yes, but not from the salt people.

Mr. *Lloyd.*] I venture to submit they are practically making a handsome profit out of the salt trade.

Mr. *Marshall.*] I should like to make one remark, as to what my friend Mr. Kennedy said, that is to say as to bringing the revenue into hotchpot.

Chairman.] I do not think you need trouble yourself about that.

Mr. *Lyell.*] I want to ask Mr. Kennedy whether "sanitary authority" includes municipal corporation or the town council of any corporate borough.

Mr. *Kennedy.*] I think it would.

Mr. *Lyell.*] Would the town council as a town council have a separate position before this compensating board, independent of its position as a sanitary authority? We have to consider a great many more cases than the case of Cheshire.

Mr. *Pembroke Stephens.*] I do not know whether you are desirous of settling the question as to the county council now.

Chairman.] No, we thought we would take the whole of the sanitary authority, or what we might call company cases, before individual cases.

Mr. *Kennedy.*] I should like the Committee to see the actual figures of these returns because it is better to be accurate.

Mr. *Forbes Lankester.*] I should have liked also to hand in an epitome of the Acts (*a document was handed in to the Committee*).

Mr. *Story-Maskelyne.*] This is the incomings, you did not give us the outgoings.

Mr. *Forbes Lankester.*] In what way do you mean outgoings, Sir?

Mr. *Story-Maskelyne.*] I mean sums paid in consequence of subsidence in various ways.

Mr. *Forbes Lankester.*] Our contention is that they have no relation to each other whatever, that we were given that money by the founders of the River Weaver Navigation without any relation to subsidence in the neighbourhood.

Chairman.] You got that when there was no subsidence, and you do not see why it should be taken from you now that there is.

Mr. *Forbes Lankester.*] Yes. May I hand in a *resumé* of the Acts? (*Handing document in to the Committee.*)

Mr. *Pembroke Stephens.*] This is a very innocent looking clause of my friend Mr. Kennedy as to the gas company, but I do not know whether you have looked at the bottom, Sir?

Mr. *Kennedy.*] That is another question, I think, altogether.

Mr. *Pembroke Stephens.*] It is a very important question as far as regards either the gas company or sanitary authority, because the position is this, that my friend in the first place takes everybody out, and leaves in himself and Brunner, Mond and Company.

Chairman.] I do not think we are considering that last clause now, but the question whether these bodies should come under the general Bill. I think this clause must be taken presently. It will require notice, certainly.

Mr. *Pembroke Stephens.*] Then what I have to say upon that question is this: The proposal now is to include, I understand, under the words "any gas company, water company, and any sanitary authority," practically all their mains, pipes, and works of whatever class. Now let us consider the position as it stands now and the position as it will be if that is brought about. At the present time there can be no doubt those are works for the public advantage. There may be certain results, money results in one case, health results in another, but, nevertheless, they are works distinctly for the public advantage, laid down under the provisions of Acts of Parliament and other well-known securities. If anyone proposes to deal with those in the ordinary way, there must obviously be a remedy; there must be a remedy under the Gas Works Clauses Act. If any railway or work came into the district which interfered with them, the first thing you would do would be to put in clauses for the protection of those interests so affected. That in this case is not done, because the injury to those is proposed to be done precisely in this indirect manner that you cannot trace or ascertain, so that you cannot bring it home to a particular individual in order to apply the remedy. But the whole essence and groundwork of this Bill is that property, public and private, has been interfered with. Now the preamble of the Bill, the principle of which has been passed, declares that pumping operations are extensively carried on, and such operations in many cases are causing subsidence of land, damage to dwelling houses, buildings, bridges, and other private and public property, and no distinction is drawn between the classes of property. That being so, I want to know upon what grounds is it sought at the instance of Messrs. Brunner, Mond and Company and the Salt Union, who after all proposed these clauses not so much from the public point of view, but obviously are volunteering them and discussing them, with all respect to the ability with which the proposal is made, to limit the amount of the compensation for which they themselves will be responsible. The more they can cut down the class of respondents by leaving out A. B. C. D. and so on, the less they have to pay, but the whole principle of the application is that compensation should be provided for the injury which has undoubtedly been caused. Now how is injury to a public building or a bridge, if you like, or to gas or water pipes, or to sewers any less an injury to property than to any other kind of property? On the contrary I should have thought it was in some sense a higher class of property because it is property which enjoys ordinarily the protection of the Statute. I should have thought it was one of the first things as it were, almost preferential, that Parliament would have stepped in to protect. Here is an injury proposed to be done to a class of property and works which is surrounded with statutory protection, here is a compensation found to provide for injury to property. On what ordinary grounds of any kind is that property of all others to be taken out, and is to be said if a small cottage or a big house tumbles in it is to be compensated for, but this special class of property which affects the convenience and the welfare of the district is not to be compensated for at all.

I really cannot see upon what sound principle it can be said it is not necessary to go down underground for this purpose and ask whose the rights are, because on the Northwich case no such thing arose because they bought years ago from the lord of the manor the rights of the lord of the manor, therefore if anyone were to apply in the Northwich Local Board district they would have to pay for laying down any pipe in the land belonging to the board. Therefore we are free from these complications which have been discussed in the other case. Therefore I venture ts think it is an almost unheard of proposition which is proposed by the gentlemen who have been the cause of all this disturbance and all this injury that the public property, so to speak, the Act of Parliament property, should be exempt from compensation; and if one were to glance at another portion of the same clause it would be obvious that by one means or other the intention is to cut down as far as possible the claims upon this compensation fund.

Now, Sir, I say that that clause being asked for, not at the instance of any public authority or any public department or anybody else, but being asked for simply and solely by the Salt Union and Messrs. Brunner Mond, for the purpose of reducing the amount of compensation to be paid, is an unreasonable proposal, and as such I object to it, and I respectfully ask the Committee to protect the rights and property of the sanitary authorities acting in discharge of their duty, and the rights and property of the gas company acting under their statutory powers.

Mr. *Marshall.*] With reference to the sanitary authority, perhaps, Sir, you will permit me to add a few observations to those which have just been made. They would of course include both urban and rural sanitary authorities, and therefore what is both inside and outside of towns, and they would bring into question before the Committee the Sub-clause No 21, with respect to public highways, bridges, sewers, and drains. The question substantially is, I apprehend, under this heading, whether the sanitary authority should or should not have power to claim compensation in respect to those public works. One would like to say in respect of public highways, such highways not being turnpike, or main roads, but being public highways simply, that they stand in this position: If they are in non-repair in consequence of subsidence, or in consequence of any other cause whatever,

whatever, the parish, that is to say, the inhabitants at large, may be indicted for such non-repair, and compelled to put them in repair in any event. Whether they may have a remedy over against any one who may have a mine underneath or not is a matter of some doubt. It has not arisen so far as my knowledge extends in the County of Cheshire, and I have no recollection of any such action brought there. The parish is certainly liable; they have to stand the expense; they have to put the road in repair, and, therefore, *primâ facie* it would seem they ought to be able to claim compensation under the Bill. One has heard a good many arguments which have been applied as to other authorities, but as far as the sanitary authorities are concerned, who may be taken to represent the highway boards and taken to represent the parish, although *per se* they are not indictable, those authorities, the promoters cannot help suggesting, if the Committee should think fit, should be permitted to claim for compensation.

Mr. *Kennedy.*] I should like to say one sentence on the question which I have not had an opportunity of saying anything upon, the sanitary authority; it is simply this: One of our broad views is this: you have a limit of 3 *d.* per thousand gallons. Of course we look after our own interests, but also it is not quite fair for my friend Mr. Stephens to put it as he does, that they wish to compete with the small private persons who are the sufferers. Those persons cannot collect rates for the purpose of making good their damage, and what we wish to do is to have a limited fund, and suggest to the Committee the wisdom of seeing that the public authorities who have powers by rates to make up any damage or repair any loss, and to whose taxation we ourselves are to a large extent contributors, should not come into competition with the small individual who cannot levy rates, and to whom, if they are injured in Messrs. Brunnen Mond's opinion (and always has been) some relief is due. We therefore think as the other parties can always get their public offices and buildings and roads repaired largely at the expense of the district, and largely also therefore at our expense, it is wise to retain this compensation for those who are not so protected.

Mr. *Pembroke Stephens.*] I am sure my friend will see that what he is asking is that the local authorities should collect rates over again from these very poor persons.

Mr. *Gainsford Bruce.*] As to the meaning of sanitary authority, in a borough no doubt every town council is a sanitary authority, but it sometimes acts in its capacity as a sanitary authority and sometimes as a municipal corporation.

Mr. *Kennedy.*] Certainly.

Mr. *Gainsford Bruce.*] Take the case of a town hall. Would that belong to the sanitary authority as an authority or to the borough?

Mr. *Kennedy.*] It is to the sanitary authority, but not as a sanitary authority it belongs. I wish to be perfectly candid with the Committee as my duty is. I must add, therefore, to that, that our intention in adding the words "sanitary authority," was undoubtedly to exclude municipal corporations, which would be a sanitary authority. I do not want to suggest that was not our intention, because it was.

Mr. *Gainsford Bruce.*] You probably think that Mr. Lyell's suggestion was directed to that. Probably it would be better to add some other words after the words "sanitary authority" to make it quite plain.

Mr. *Kennedy.*] Yes, that is our view.

Mr. *Mather.*] Do I understand you desire to exclude from compensation all kinds of property that do not belong to private owners; all property that might be re-built or repaired by the rate?

Mr. *Kennedy.*] Quite so.

Mr. *Mather.*] That is your principle?

Mr. *Kennedy.*] That is our principle.

Mr. *Lloyd.*] We support the clause which has been brought in. I do not wish to add anything.

The Committee-room was cleared.

After a short time Counsel and parties were again called in.

Chairman.] The Committee have come to the conclusion that any gas or water company, any county council or municipal corporation, any sanitary authority or local board will be excluded from compensation under this Bill.

The next is as to brine pumpers. I suppose nobody objects to that at all?

Mr. *Lloyd.*] No.

Mr. *Kennedy.*] That is between ourselves. Then the next is "any owner of land who receives," and so on.

Chairman.] How are you going to prove how he gets it? I quite see that with respect to any land let for the purpose he will not get compensation but he may let an acre of land in one place and his land sink in four or five miles off.

Mr. *Kennedy.*] I do not want to do any injustice, but at the same time I think the Committee will agree with me that it is clear, just as in the case of a brine pumper, anybody who is actually deriving a profit from the operation which is assumed to cause the damage should not be also able to claim compensation.

Chairman.] It seems to me it is quite clear in respect of any land let for the purpose, that he certainly would not be entitled, but it is a very difficult question to say a man with 5,000 acres of land who lets half an acre for brine pumping is to get no compensation for all the rest of his land.

Mr. *Story-Maskelyne.*] As a practical fact, what amount of money is paid now to landowners, say in Winsford or Northwich, as compensation for the salt pumped out?

Mr. *Kennedy.*] I will try to get that information for you.

Mr. *Story-Maskelyne.*] I should like to have it. For instance, there are very large landowners in the neighbourhood who, I believe, receive considerable sums every year.

Mr. *Kennedy.*] Yes.

Chairman.] I think we ought to know something about that.

Mr. *Kennedy.*] I can only, speaking from what the Committee know probably better than I do myself, by reference back to the inquiry of 1881, where it was said very high rents were paid where land was let for salt.

Mr. *Mather.*] In the rent paid for the area of the land taken to establish the works upon, or is it some hypothetical quantity of land that is paid for?

Mr. *Kennedy.*] I would rather get it accurately for you; but my impression, from what I have been told orally, and what transpired at the inquiry of 1881, would be rather this, that where there is competition, as there is amongst the pumpers, land may be let immediately for works. Then they might also get land, and, of course, have to pay a high rent for it by way of taking care that that land is not got by other persons. It is not confined to land on which there are actual works.

Chairman.] Is there no official of the Salt Union present who can come into the box and tell us the royalties they are paying?

Mr. *Kennedy.*] Perhaps my friend, Mr. Lloyd, who represents the Salt Union, can help you.

Mr. *Mather.*] We want to know how the land is let.

Mr. *Lloyd.*] You shall have that evidence.

Mr. *Kennedy.*] While my friend is considering that, I may mention this to the Committee, that it might appear hard at first that a landowner who happens to let some land for pumping should in any way on that account be fettered or excluded with regard to land that is not let for pumping. It really works out harshly—worse than it does with the clause that we agree should be excluded. For example, take two gentlemen, partners in a brine-pumping station, one of them having a private estate in the neighbourhood of his own, in which his partner is not interested. It might be argued, if we are to go into those details, that it is very hard.

Chairman.] You agree with the brine pumpers and need not say anything more about that.

Mr. *Kennedy.*] I mean it is no harder on the owner of land in the same way.

Chairman.] This evidence will help us very much.

Mr. *Kennedy.*] About this we are at present in the dark.

Mr. *Story-Maskelyne.*] What would be the position of, for instance, a landowner, supposing there was such a person, to whom a large sum was paid to prevent his allowing works to be put up on his land? I apprehend there are such persons, are there not?

Mr. *Kennedy.*] Yes, there are.

Mr. *Story-Maskelyne.*] What would be his position under the Bill; you do not recognise him at all, I suppose?

Mr. *Kennedy.*] He would be a person whom we should exclude under this 6th section.

Mr. *Story-Maskelyne.*] But that is not a brine royalty for salt; it would be other remuneration.

Mr. *Kennedy.*] Yes, he is a person who receives remuneration for salt, or other remuneration.

Mr. *Mather.*] He would be bought out you mean?

Mr. *Kennedy.*] Yes.

Mr. *Story-Maskelyne.*] He would be included then?

Mr. *Kennedy.*] Yes.

M. *Leake.*] Can you tell the Committee what would be the position of an owner who took royalties for the excavation of minerals? Would he not have his own surface rights reserved. Outside the limit of the surface land sold to the colliery he would have a right to support, would he not?

Mr. *Kennedy.*] He would have a right to support.

Mr. *Leake.*] He would not sell all the rights of his other surface property?

Mr. *Kennedy.*] No, I should think not.

Mr. *Leake.*] Then in this case the landowner is in the same position, with the peculiar difficulty that he cannot prove who is doing him the mischief, and therefore, all the land which he had not sold as surface would be in the same position as if he had been selling a right of excavation.

Mr. *Kennedy.*] I quite see that. I do not want to do any injustice to a landowner or any other person in the district, but at the same time he is also a person who is drawing a profit from the unknown element of mischief making, in fact he is drawing a profit from it.

Mr. *Leake.*] Yes, that is the peculiar difficulty of what we are engaged on. But still he has the same surface rights, though he sells his land for brine pumping on other portions of his land as he would have had if he had been selling for excavation.

Mr. *Kennedy.*] No doubt as things stand at present, and that is one of the things which we think ought to be altered.

Mr. *Lloyd.*] The superintendent accountant of the Salt Union is here and can tell you exactly the amount of rents and royalties paid, and the manner in which they are paid.

Chairman.] I think that evidence would be very satisfactory.

Mr. *Kennedy.*] Those who instruct me are anxious not to be misunderstood. The Committee see the words "such land" limits it of course. Our suggestion is not that because he has let land somewhere he should be excluded

on

on that ground, "any owner of land who receives brine rents," and so on, "upon or under such land." If the Committee do not think it clear we should be willing to make it clearer. We do not make it under the land generally, but under such land, namely, where he has let land for those purposes.

Chairman.] I am afraid your difficulty will be ever to prove this case. A man may come and say he wants compensation for subsidence, and you will say, "you receive a brine rent or royalty, or something or other." But he may say, "that is not in respect of this land, that is in respect of land a mile and a-half off"; how are you going to prove it? The difficulty we have had throughout is to follow what the subsidence is caused by. But that is not for this Committee; it will be for the lawyers hereafter.

Mr. *Mather.*] We want you to define "such land."

Mr. *Story-Maskelyne.*] I want to be quite sure that this clause does either include or exclude such cases. There may be persons who are receiving a considerable sum of money, which I understand there are, for not allowing works to be put up on their land. I do not quite see what this clause does, whether it excludes or includes those people.

Mr. *Kennedy.*] The intention was to include that class.

Mr. *Story-Maskelyne.*] Therefore, in fact, words should be put in, if necessary, to make that clear.

Mr. *Kennedy.*] If it is not clear the drafting shall be improved.

Mr. JOHN FELLS, sworn; Examined by Mr. *Lloyd.*

1117. YOU are the Superintendent Accountant of the Salt Union, I believe?—I am.

1118. You are able to give the Committee the information which will show them what is the position of a landowner with reference to the Salt Union? How you take land from him, and what payments you make in respect of the right to pump?—Certainly. To some landowners we pay a minimum rental per annum with liberty to take a certain number of thousands of gallons of brine, quantities taken in excess of that maximum number to be paid for. In other cases there is a pure tonnage rent, a rent simply on the quantity of salt made. Practically that represents the two main modes of payment. We also pay many landlords retaining fees upon other land not used at present for salt purposes. Those retaining fees amount, in the Cheshire district, to about 10,000 *l.* a year.

1119. What is the retaining fee for?

Mr. *Mather.*] To prevent them letting the land to anybody else.

Witness.] That is so; to prevent them letting the land to anybody else without giving the option to the Salt Union of obtaining that land.

Chairman.

1120. I suppose on that land practically you may be retaining salt by this brine pumping, though there is no pit there?—On a portion we may be, and on some other portions we may not be; we cannot trace it.

1121. You only trace it by the subsidence?—Not even that; some of the landlords own several thousand acres, and the payments to them are proportionately large.

Mr. *Mather.*

1122. Because you have more pumping?—No, because of the acreage, and because we believe it to be land which it is desirable to retain even at the increased rates.

1123. The surface rights?—No, the rights of notice it is practically, that is to say, they cannot sell to anybody else without first giving the Salt Union notice.

Mr. *Lloyd.*

1124. Giving you the first option?—Giving us the first option.

Mr. *Mather.*

1125. Are you speaking of selling or renting now?—Retaining with option of purchase.

Chairman.

1126. Are these agreements in the form of leases, or are they annual agreements which may be put a stop to at any time?—The salt works are most of them in the nature of leases for varying terms, the retaining fees are paid for what one might call short notice; six months or a year as the case may be.

1127. It seems to me there ought to be, when a change of the law is made of this kind, an opportunity for people to reconsider their position: when a man has a small rent and a large property he should be allowed to reconsider it; if a man was only getting a small rent from you for a large property running the risk of being injured, he should have an opportunity of throwing that up and bringing in a clause?—That would be with regard to all those who receive retaining fees only. With regard to those who gave leases to the Union that would be a matter which would require consideration.

1128. Do you think there are many cases of people who own considerable property, and yet only receive small rents from you, which they would not have been likely to have done if they knew that it would strike them out of the benefits of this Bill. Are there many cases of that kind?—No, I think all those who get retaining fees get good equivalents for those rights of retention, particularly as the time is for short notice only.

1129. Where you have pits sunk, do you think there are people who have, for instance, one pit on their ground for which you may be paying 200 *l.* a year, who are owners of land to the extent of two thousand acres which may be injured; is there anybody in that position?—No, I do not think there is anybody in that category, practically.

 1130. Some

Mr. *Story-Maskelyne.*

1130. Some of these lands are taken, as I understand, on a sort of rent; you pay so much for the salt?—Yes, a minimum rental.

1131. How do you determine the area over which this rent is to run?—It is practically a certain area in connection with the works.

1132. You mean the part on which the works stand?—I mean the part on which the works stand together of course with a certain amount of ground for sidings and so on.

Mr. *Leake.*

1133. Do you buy that out and out?—On lease, yes.

1134. Do you pay a large price for it?—We have paid fairly large prices for a lease.

1135. Not agricultural value?—By no means agricultural value.

1136. Building value?—I should say considerably more than that.

Mr. *Lyell.*

1137. Do I understand you to say that there are cases where you lease or pay a rent for brine or salt, and you paid a minimum rent for a certain definite number of gallons of brine which you were at liberty to pump and after that you paid an excess rent for the additional brine you took?—That is so.

1138. Does not that involve the admission that the brine comes from the lessor's land?—Practically it does. The rights of the lessor commence practically wherever we pump in connection with the particular works.

1139. That is quite independently of the area of land actually used for the brine-pumping station?—Absolutely. It is the quantity of brine raised at a particular point in connection with those works.

1140. Therefore you admit, in making that agreement, that your pumping is an extraction of the salt from that area; that you are the extractors of salt from his land?—We admit this gentleman has a right legally to claim from us payment for the quantity of brine we raise from that particular place. It is considered by the law to be his property, and therefore we have to pay him.

Mr. *Story-Maskelyne.*

1141. Are you paying for the brine, or are you paying for the loss to the surface; the subsidence real or possible consequent on your taking away that brine?—Practically we are paying for the brine, inasmuch as we have in very many cases to pay, or in nearly all cases to pay on the quantity of brine raised.

1142. I mean do you pay for the brine, or is the quantity of brine raised merely an indication of the amount of mischief you may do to the land above?—According to the documents, and according to the receipts and so on, we pay for it as brine, for so many hundred thousand gallons of brine.

Chairman.

1143. You think, practically, there would be no injustice done to people who take these royalties from you for the purpose of not allowing their land to be worked, and they would have such an opportunity, that if they thought it desirable to come under this Bill, they could give that up at short notice and come under the Bill?—They could do so, but I think as commercial people probably they would not.

Chairman—continued.

1144. That is another thing; they would have the opportunity?—They would have the opportunity, of course.

Mr. *Leake.*

1145. Do you ordinarily put your works, or does the landowner sell you his land on the confines of his estate or the centre?—That depends on exactly what portion of his total estate his salt property stands. Obviously it is very often on the confines and not in the centres.

1146. Would he sell you his land on the confines of his salt property?—Very often he has done so.

1147. When his neighbour had salt property adjoining it?—We very often take a larger area than that which is absolutely required for salt purposes, and use it for the erection of workmen's cottages and so on, and we also possess a good many farms in the district.

1148. What I am trying to get at is, in selling you the right to pump brine from his estate, does he ordinarily sell you land adjacent to his neighbours' salt property or in the centre of his own?—Adjacent to his neighbours', generally.

1149. There is the whole secret. If he could prove that you took salt from under property which he had not sold to you, and subsidence occurred, would you be liable to him?—That is a legal question I do not feel myself competent to answer.

Mr. *Mather.*

1150. Are there cases in the salt district where a landowner has 50 acres or 100 acres of land where you would take that very small area of land and erect your pumping stations upon it, have you such cases?—Yes, we have such cases generally coupled with a retaining fee to the landlord for the larger area he has for the erection of his estate.

1151. I want to put it in the case of a small landlord; supposing a small landlord has 100 acres of land upon which you desire from various considerations to put down a pumping station, you can from that station derive such salt or brine as you can pump although you know perfectly well you are not deriving it from that landlord's property, you know it is coming from the neighbourhood not from him?—We do not know where it come from, all we know is that we have to pay some one for it.

1152. So that a landlord having a small amount of land may be deriving a larger revenue, not from his own property but from his neighbour's?—That is so; we may be paying a man for what does not belong to him.

Mr. *Story-Maskelyne.*

1153. I presume if that were the case some other gentleman might put down a pump on that neighbour's land, might he not, unless you pay a high fee for preventing him?—Yes, he might do that.

1154. So that in that way the neighbourhood would get a certain amount of recompense even if you did pump the salt from under his land?—Yes,

Mr. *Story-Maskelyne*—continued.

Yes, it would be a question of who could pump the most. I have known cases where rival pumpers have been working a few yards from each other, both pumping apparently from the same source, and paying different landlords.

Mr. *Leake.*

1155. In fact the rival landlord looks after himself generally?—Generally.

Mr. *Mather.*

1156. The rights are limited to those to putting down a bore, I suppose?—Yes, and taking what you can get.

1157. So that in 10 square yards you would get all you want?—Quite so.

Mr. *Mather.*] Then the whole of the region is at your command below?

Mr. *Lloyd.*] Will you allow me to say, and perhaps I ought to have said it at an earlier stage, that it must not be taken by the promoters, or by anybody else, that the Salt Union in taking part in the discussion of the clauses abandons any right or privilege it may have in opposing the preamble hereafter?

Mr. *Balfour Browne.*] That will be sufficient for another day.

Chairman.] No one else, then, has anything more to say on this subject?

Mr. *Mather.*] May I ask if Mr. Kennedy can suggest any words which would make this clause a little more intelligible? I think as it now stands we do not know quite who would be excluded from claiming against the compensation fund.

Mr. *Kennedy.*] It has been a subject of considerable difficulty to get this accurately without doing injustice and at the same time including those whom we think ought to be put in the same position as the brine pumpers as regards the land. If I might suggest it should run in this way: "Any owner of land who receives brine rents, royalties for salt or other remuneration or consideration in respect of the lands for which such brine rents, royalties for salt, or other remuneration or consideration are paid," that would limit it to those lands; whether the consideration is in the form of a retaining fee or an actual royalty or rent in respect of which the claim is put forward by him. That is to say he is not only excluded with regard to those lands in respect of which he gets an actual royalty for salt, or a fee for not taking the salt, or letting it to other persons for salt, "any owner of land who receives brine rents, royalties for salt, or other remuneration or consideration" (then you want to define what land) "in respect of the land" (that is to say he may claim in respect of those lands) "for which such brine rents, royalties, for salt or other remuneration or consideration are paid."

Mr. *Mather.*] I think that would cover it.

Mr. *Kennedy.*] All the words of this section are governed by the first: "Nothing in this Act shall entitle the following persons or body of persons to compensation from any compensation board, namely," then subject to this case the landowner being a claimant in respect of land for which he receives some consideration for salt.

Mr. *Lloyd.*] That will open up this difficulty, will it not: Supposing a landowner has 5,000 acres, and he lets a quarter of an acre for the purpose of brine pumping, then he would only be exempt from claiming in respect of that quarter of an acre?

Mr. *Balfour Browne.*] Yes, and that is the very thing Mr. Kennedy wants to avoid, as I understand; but he has not done it.

Mr. *Leake.*] The retained land would be exempt also, and I think there is no case, at least you will correct me if I am wrong, in which the brine pumper would only take a small area of land for his pumps without retaining a considerable quantity of land in order not to be competed with.

Mr. *Balfour Browne.*] That is so.

Chairman.] This would include all land for which retaining fees were paid. I think if it is amended in that way it would meet it. But land outside the area for which a retaining fee was paid would be entitled to compensation.

Mr. *Balfour Browne.*] Under the clause it would. Is that the intention of the Committee?

Chairman.] That would be the intention of the Committee, certainly—that a man should receive no compensation for what he is paid for; what he is not paid for he ought to receive compensation for.

Mr. *Kennedy.*] I might suggest the words "any brine pumper" should have added to it "in respect of land used in the pumping or raising of brine." Of course, you would not exclude him as an owner of other land, which has nothing to do with brine pumping.

Mr. *Balfour Browne.*] Then he is covered by Clause 6.

Mr. *Kennedy.*] You do not mean him not to have compensation if he suffers damage as to lands which he holds in no sort of connection with brine pumping?

Mr. *Leake.*] He would be excluded, because he does not receive rents and royalties for that land.

Mr. *Kennedy.*] He is in the same category here.

Mr. *Mather.*] He might be an owner or lessor, and therefore would be covered under Clause 6.

Mr. *Balfour Browne.*] He might say "I am not a brine pumper at all. I am the owner of land."

Mr. *Kennedy.*] You know what legal difficulties might arise; they might say you cannot include him in six if he is expressly excluded by five, so I want to make it perfectly clear that the Committee do not mean to exclude any brine pumper in respect of land on which he does not pump brine.

Mr. *Story-Maskelyne.*] This Union is a company, is it not?

Mr. *Kennedy.*] Yes.

Mr. *Story-Maskelyne.*] Does it affect the shareholders in that company? A shareholder in that company might hold land in this district. I do not understand what a brine pumper is; because if it is a company anyone who belongs to that company is a brine pumper, I presume.

Mr. *Kennedy.*] I do not think so, with great deference.

Mr. *Story-Maskelyne.*] He is a brine pumper in that case.

Mr. *Balfour Browne.*] It is defined in the Act. We propose to define "brine pumper" to mean a person or any company who pumps or raises brine from shafts, wells, or springs, or mines. But, as I understand, this is really an amendment of my friend's own clause. He brought up the clause as to the brine pumper without qualification, and it has been passed, and he now wants to go back upon it.

Mr. *Kennedy.*] We do not want to have any confusion by saying we are already excluded by Clause 5.

Chairman.] I am afraid we cannot very well go back upon this. We have passed that, and we are now on "any owner of land."

Mr. *Kennedy.*] I should be sorry to take any course the Committee do not think desirable.

Mr. *Balfour Browne.*] It is only sub division. I think you would still be an owner of land, even if you were a brine pumper.

Chairman.] We have accepted these words, and it reads as follows: "any owner of land who receives brine rents, royalties for salt, or other remuneration or consideration in respect of the rents for which such brine rents, or royalties for salt, or other remuneration or consideration are paid."

Mr. *Kennedy.*] Then come the words, "any owners of works"——

Chairman.] That must be limited, because a man might have a little salt for use in dye works. We are not only dealing with Cheshire, you must remember, and I think that ought to be limited; would it meet it if we said "any owners of works who use salt or brine as the raw material of the manufactures carried on in those works"?

Mr. *Lyell.*] How are you to limit this, supposing a small manufacturer, a user of salt, has a small house in the town, and suffers from some subsidence; is he not to be entitled to receive any compensation for his loss? He may buy a certain amount of salt.

Mr. *Kennedy.*] It is not the intention to prevent him.

Mr. *Lyell.*] You want to get hold of the brine pumper, not the actual user of salt, who uses table salt, for instance.

Mr. *Kennedy.*] It means the persons who, besides being brine pumpers, sit still and get the profits, simply buying the article there.

Mr. *Mather.*] You want to exclude, in fact, Messrs. Brunner, Mond and Company from any compensation under this Bill, and such like people?

Mr. *Kennedy.*] Salt works of all kinds.

Chairman.] Would it do to say, "who use salt or brine as the principal ingredient in the manufacture"?

Mr. *Balfour Browne.*] The awkwardness of that is, that you will leave that question of "principal ingredient" to be determined. Would "salt and alkali works" do, if Messrs. Brunner, Mond and Company want it left out?

Mr. *Kennedy.*] "Salt and alkali" would meet it, I think. We are quite content with that.

Chairman.] Very well, "any owners of salt and alkali works."

Mr. *Balfour Browne.*] I think that will do.

Mr. *Leake.*] When you say "owners," do you mean owners or tenants?

Mr. *Kennedy.*] It is only the owners who are entitled to claim.

Mr. *Lloyd.*] May I ask whether you inserted the words "retaining for" in the last clause?

Chairman.] No. The words are "remuneration or consideration."

Mr. *Lloyd.*] You think that would cover it?

Chairman.] Yes.

Mr. *Freeman.*] I think it still wants a limitation in respect of those words. It might mean any person who owns salt and alkali; if he owns other lands he cannot claim.

Chairman.] It would be in respect to those works, of course. "Any owner of salt, brine or alkali works in respect of such works."

Mr. *Balfour Browne.*] You do not want "brine," I think?

Chairman.] I would rather you drew up a clause between you, the meaning being that a man who uses salt principally in that district shall not be entitled to compensation.

Mr. *Balfour Browne.*] I submit that the words would do in this way: "any owners or occupiers of salt or alkali works in respect of such works."

Chairman.] Very well. Then comes the case of the trustees of the River Weaver Navigation. I presume that is covered by the decision as to the county council.

Mr. *Freeman.*] As regards the next paragraph, I have an objection to raise.

Chairman.] Do you mean as to "except as provided by this Act"?

Mr. *Freeman.*] Yes, Sir.

Chairman.] I think the Committee are unanimous; we could not possibly admit that.

Mr. *Freeman.*] If that comes out I am satisfied.

Mr.

Mr. *Kennedy.*] Upon the last words, without attempting to go back upon any decision of the Committee, some words will have to be inserted somewhere to prevent persons who are entitled to compensation under this Act from going doubly.

Chairman.] This is far too wide.

Mr. *Kennedy.*] I agree.

Chairman.] I think you might agree to a clause.

Mr. *Kennedy.*] If the Committee had not decided to strike it out, I think the insertion of about four words in it would have perhaps met your wishes, namely, if had been "except as provided by this Act, no action or other proceedings shall be commenced or taken by any person who has been paid compensation or is entitled to compensation under this Act."

Chairman.] I think we must not limit anybody. I do not think you need be alarmed about this, because, as a matter of fact, they have not been able to proceed against you for these losses for generations.

Mr. *Kennedy.*] I will not take up the time of the Committee if I may bring it up later on.

Mr. *Balfour Browne.*] Before you leave this clause and go back to the Bill, because you suggest it would be better to find out who are to be excluded first, we have to put in after the words "Railway or Canal Company," something to carry out the decision of the Committee. You will remember that decision, and I need not refer to it again. First, I think, after the word "Company," you must insert "except," as hereinafter provided.

Mr. *Bolton.*] I think that will not be required now, because I assume that this is a substantive clause.

Mr. *Balfour Browne.*] The proviso is wanted.

Mr. *Bolton.*] The proviso is wanted, but not the other.

Mr. *Balfour Browne.*] Very well, we will leave out the words "except as hereinafter provided." What we propose, Sir, to carry out your decision, after the words on page 17, Clause 42, is "provided always that if a railway or canal company shall be entitled to compensation in respect of buildings, or other property which are not in connection with the railway or canal, and are not used for the purposes of the traffic thereof." I think that was the idea of the Committee, that if a railway company owned property entirely connected with the railway, they should be in the same position as every other body.

Mr. *Bolton.*] We have agreed to that. I think Clause E., which has been brought up by Messrs. Brunner, Mond and Company is now substituted for Clause 42 in the Bill, therefore the proviso must be added in some way to Clause E.

Mr. *G. A. Fitzgerald.*] That is where it has been added.

Chairman.] We had better go back now to the Bill, and proceed with it from where we were.

Mr. *Kennedy.*] We were on Clause 21. My friend, I suppose, now does not object to it, because it will follow out what the Committee has decided, namely, to exclude public bodies.

Mr. *Balfour Browne.*] The clause, so far as I can see, except in two particulars, is all right. The first and most important objection we have to this clause is upon the very first portion of it, "as happened after the formation of the compensation board." I am speaking now on the amendment to the clause. You may take it the amended clause will form part of the Bill, our clause going, but I hope subject to some amendments we have to make to the amended clause. It is quite understood that the word "subsidence," in the third line of the amendment, "subsidence has been caused by the pumping or raising of brine, must go," because that was decided against my friend.

Mr. *Kennedy.* It was decided on another clause; it should not appear there. The Committee were good enough to say that they would not object to a proviso somewhere. They say the burden of proving that subsidence is not caused by brine pumping, must rest on you and not upon the person who makes the claim. That is the decision, and I accept it, and I only want some words to bring that form of proviso in.

Mr. *Balfour Browne.*] That must be done by a subsequent clause. I think you will find on Clause 23 it does come in.

Mr. *Kennedy.*] If that is so, I am willing that the word should come out.

Mr. *Balfour Browne.*] Now the other thing I object to in the first instance is "as happened after the formation of the compensation board."

Chairman.] I think the Committee are agreed it ought to be "after the passing of the Act."

Mr. *Balfour Browne.*] That is what we desire.

Mr. *Kennedy.*] I hope the Committee will not decide that without hearing me, because on that there are two matters which the Committee might think worth considering. One is we are looking of course mainly with regard to Cheshire, but it may be some years before a compensation board is started in some of the other districts. Then look what happens. There will always have to be very great care taken to prevent more or less bogus claims being started. There will be no one to check what subsidence, if any, has taken place because there is no board appointed and you will have persons saying, "five years ago" (but it was after the passing of the Act) "my house began to come in, my field came in." And there is no surveyor to check it.

Chairman.] I think the claim must be made within a certain time. There is no difficulty about that.

Mr. *Kennedy.*] As long as I put the Committee in possession of what is a real difficulty, I am satisfied.

Chairman.] Surely that must be in the Bill somewhere, is it not?

Mr. *Story-Maskelyne.*] It is three months, is it not?

Mr. *Kennedy.*] No. There is no limit in the Bill.

Mr. *Balfour Browne.*] I think that has to be laid down by the bye-laws. If you look at Clause 22, it is: "It shall be lawful for the board from time to time by bye-laws under this Act to prescribe the form of any such claim and the time within which and the manner in which any such claim shall be made"—that is the compensation board.

Mr. *Kennedy.*] My learned friend will agree with me that the compensation board cannot legislate to take away a right; and therefore supposing there was no compensation board appointed for a district for four or five years, they might suddenly find upon their appointment these claims exist; and they could make no law to prevent a man bringing in a claim three years old.

Chairman.] On the other hand there is no reason why people should be debarred from compensation, because the board has not been formed for a long time.

Mr. *Kennedy.*] It is not merely not being formed for a long time, Sir, but supposing there is no justification for such a claim.

Chairman.] Supposing they thought there was not likely to be any risk, and no compensation board was formed, suddenly a great piece of land in the middle of the town fell in, then they would be entitled to no compensation because no board had been formed.

Mr. *Balfour Browne.*] Suppose one small owner is merely injured by that falling in, he cannot form a board by himself, but still he should not be deprived of his right.

Mr. *Leake.*] Can you suggest to whom notice could be given in the absence of a compensation board?

Mr. *Lyell.*] In any case it must be after the passing of the Act.

Mr. *Mather.*] You do not object to the words, "after the passing of the Act," do you?

Mr. *Kennedy.*] We say that would be too wide, because it would allow a number of claims which it would be extremely difficult to check, even if there were a compensation board; but still more difficult when there is no one whose duty it is to make a survey, or anything of that kind.

Mr. *Mather.*] Can you add anything to those words, because that certainly must go in?

Mr. *Balfour Browne.*] My learned friend had better bring up something substantive, I think.

Mr. *Kennedy.*] Will the Committee allow me to consider the point?

Chairman.] Yes.

Mr. *Story-Maskelyne.*] You have a ready appeal to the Board of Trade, have you not?

Chairman.] I think it ought to be guarded, but the words should be "after the passing of the Act."

Mr. *Kennedy.*] Very well, Sir, I will take that as your decision; but I shall not be taken to be going back upon that decision if I suggest there should be some limitation.

Mr. *Balfour Browne.*] The next important thing we object to is the words contained in the proviso, that "no claim shall be made by any person unless he has such title to, or interest in, the land so damaged, or some part thereof, as would entitle him to recover in respect of such damage if the same had been caused by the wrongful excavation by any other person of strata underlying or supporting such land, and no claim shall be made except for damage as hereinbefore defined, and any compensation awarded shall in no case exceed one-half of the amount of the actual loss sustained by the person making the claim (herein referred to as the claimant), or exceed one-half of the amount of the expense necessary to make good any damage sustained as hereinbefore defined."

Now, I submit that that seems to be a very improper proposal to make. The words are "one-half of the amount of the actual loss." If the actual loss is, as it has been assumed, in this clause, caused by subsidence, why should the compensation be limited to one-half the amount? We ought to recover the whole, surely.

Mr. *Leake.*] They draw the distinction between excavation and brine pumping.

Mr. *Balfour Browne.*] Do they, Sir?

Mr. *Leake.*] One-half only should be paid in this case for any loss or damage, if the same has been caused by excavation.

Mr. *Balfour Browne.*] That is not it, Sir, at all, with respect. It is only that if it had been caused by excavation we would have had a cause of action, but if caused by brine pumping we are to have the same rights, but only to the extent of one-half of the damage.

Mr. *Leake.*] That is what I say—the full rights by excavation.

Mr. *Balfour Browne.*] I did not understand that.

Chairman.] With regard to this proviso, I suppose you do not object to the words until you come to "provided no claim shall be made."

Mr. *Balfour Browne.*] I have no objection, Sir, to the clause; but in the second line of the proviso I think the word "property" should be substituted for the word "land"; and again, in the fifth line the word "property" should be substituted for the word "land." With regard to all the rest of the clause I do not object to it until we come to the sixth or seventh line, where the words are "one-half of."

Chairman.] You mean from the words "any compensation" to the end?

Mr. *Balfour Browne.*] What I object to are the words "any compensation awarded shall not exceed one half."

Chairman.] I think the Committee are unanimously of opinion that that should be struck out.

Mr. *Balfour Browne.*] If you please, Sir.

Mr.

Mr. *Marshall.*] From what point have the Committee struck out that last part of the clause, Sir?

Chairman.] We have struck it out from the words "and any compensation awarded," down to "hereinbefore defined."

Mr. *Kennedy.*] I think, Sir, you will find that you have struck out words which will have to be brought in again, because some of them are the words of the Bill substantially; you have to give the compensation. My friend Mr. Balfour Browne only objects to the words "one-half," as I understand.

Chairman.] "And any compensation awarded shall in no case exceed one half." That part has nothing to do with anything except one-half, has it?

Mr. *Story-Maskelyne.*] I suppose what you mean is that no compensation is to be greater than the amount of loss?

Mr. *Kennedy.*] Yes, Sir; that is important. You must have some words of that sort.

Chairman.] Then we may strike out the words "one-half-only"?

Mr. *Kennedy.*] Yes. If you will allow me I will read it? "And any compensation awarded shall in no case exceed," (then strike out the words "one-half,") the amount of the actual loss sustained by "the person making the claim (herein referred to as the claimant) or exceeding one-half of the amount of the expense necessary to make good any damage sustained as hereinbefore defined, all circumstances which in the opinion of the board or other tribunal are material being taken into consideration."

Mr. *Marshall.*] There is no objection to that.

Chairman.] I think that is right.

Mr. *Kennedy.*] May I ask with regard to Clause D, what is objected to?

Mr. *Marshall.*] The words in the fourth line of Sub-section 1 are objected to. Instead of the words "formation of the compensation board," the words "passing of the Act" will come in.

Mr. *Kennedy.*] Yes.

Mr. *Marshall.*] Then in the following line the clause will read better if the words were "that takes such title to, or interest in the land." It reads rather awkwardly as at present framed.

Chairman.) That is merely verbal.

Mr. *Marshall.* That is all, sir.

Mr. *Freeman.*] Then there is a Clause 21a to come in, which I am informed is agreed to all round. That is a clause which is brought up on behalf of the Winsford Board, "The compensation board shall have power to make contributions out of any sum to be levied under this Act towards the extra cost of building, rebuilding, or placing any existing or future building within the area of its district on some system or style of building whereby it can be raised, and may also provide plans and models of buildings recommended as suitable and convenient for the purpose aforesaid." Now, Sir, a word of explanation upon that clause, so that the Committee may follow it. Owing to the great subsidences which have taken place, a principle has for the last few years been introduced of building houses upon wooden supports.

Chairman.] Do the Salt Union, or Messrs. Brunner, Mond, & Co. object to this clause?

Mr. *Kennedy*] No, Sir.

Mr. *Freeman*] I am instructed that everybody has agreed to it.

Mr. *Marshall.*] In regard to this clause, I have no direct instructions that the promoters have been consulted about it, and I should like an opportunity of looking at it.

Chairman.] I think it simply means that for their own protection and convenience they may give rather more than the cost of building, in order to put in foundations which will enable the building to be lifted, and not cost any more in future. This clause will come in, or instead of it being a separate clause, I should think it might be added to the preceding clause.

Mr. *Freeman.*] Yes.

Mr. *Marshall.*] Then, Sir, it is proposed that there should be substituted in Clause 22 certain words, and about the middle of the proposed substitution these words occur—"and who has given to the Board notice in writing of such damage within seven days after the happening thereof." This appears to be an addition to the proposed clause, which is very objectionable, because it may very well be that a person who suffers from subsidence may not observe it for a much longer period than seven days—it might be six months after it has happened. Therefore, unless he gave notice within seven days that the subsidence had happened, he would be disqualified from receiving compensation of any kind whatever. That would operate very prejudicially in many cases, and I submit it ought not to be entertained.

Mr. *Kennedy.*] We want to have some safeguard, otherwise we have no check. The important thing is to be able to send a surveyor at once to test any alleged subsidence.

Mr. *Marshall.*] It might very well happen that the subsidence had occurred a considerable time before it was possible for anybody to observe it. I think these words should be put in—"within any reasonable time (which may be fixed by the Committee) after the same became apparent." Those words, I think, would be much more reasonable.

Mr. *Kennedy.*] It is in the interest really of *bonâ fide* claimants that there should be an opportunity of preventing the fund being taken possession of by persons who lie by, and do not claim for a considerable time.

Mr. *Marshall.*] Certainly; but let us have the thing reasonable.

Mr. *Mather.*] Have you any time to suggest?

Mr. *Marshall.*] We would suggest six months. It might happen that a man would be away on business,

business, or holiday making, or something of that kind.

Mr. *Kennedy.*] I think it should not be more than three months at the very outside.

Mr. *Freeman.*] May I point out one thing to the Committee upon this clause, and that is something must be added, because it assumes before the claim can be brought, that notice must have been given to the Board.

Chairman.] Of course we see that. We should have to put in "compensation board" or "local authority."

Mr. *Freeman.*] Yes, or I would suggest that if there is no compensation board in existence, then that it should be six months after the formation of that board.

Mr. *Kennedy.*] That is a matter which my particular clients in Cheshire may not take much interest in, but I think I ought to point out this, namely, that in districts in which perhaps for two or three years there will be no formation, it will be desirable there should be some record of an alleged claim made, so that the board may not come into existence and find a claim of four years standing.

Mr. *Story-Maskelyne.*] Might it not be by a memorial to the Local Government Board?

Chairman.] Let us settle one thing at a time.

Mr. *Marshall.*] You see, Sir, this is an absolute disqualification. There is another point in connection with this matter. All these bye-laws will have to be confirmed by the Local Government Board, and therefore they will be in a position to say what limit ought to be given. Messrs. Brunner, Mond and Company did not propose that point at all in their original draft.

Chairman.] Seven days, of course, is ridiculous.

Mr. *Marshall.*] I think the matter would be perfectly safe if left open to the Committee.

Chairman.] Then we shall strike out seven days and say six months.

Mr. *Marshall.*] Very well, Sir; then "after the happening thereof" should be modified.

Chairman.] Yes; we will put in the words "the same became apparent." Do not you think we ought to put in the words "as given to the board" or "before the appointment of the compensation board to the Local Government Board," or something of the kind?

Mr. *Kennedy.*] Yes, Sir.

Chairman.] "Or if there be no board as notified to the Local Government Board."

Mr. *Freeman.*] The only question is whether as many of these will be small matters the Committee would consider the sanitary authority would be sufficient.

Chairman.] I think the local authority would be sufficient.

Mr. *Freeman.*] It is rather a serious thing for those people to send up to London to a Government Department.

Chairman.] Very well, let it read "who has given notice in writing to the board or if there be no such board then to the sanitary authority of the district in which such property is situated." I think that will be better. It will make it easier in working. Will that want any verbal alteration?

Mr. *Lloyd.*] There may still be this difficulty, because in the event of there being no board, and notice being sent to the local sanitary authority that would not necessarily come to the knowledge of the pumpers.

Mr. *Marshall.*] It would be placed on record, and that is the important point.

Mr. *Story-Maskelyne.*] It would not bar a man's right to ask for compensation after a lapse of time.

Mr. *Lloyd.*] True, but it would not give us an opportunity of testing the claim.

Mr. *Story-Maskelyne.*] Then you should have a compensation board if you are anxious about that.

Mr. *Marshall.*] If the pumpers are axious about it, they can appoint a surveyor for the district.

Chairman.] If a man has gone to the local authority to make a claim there, the local authority would take the trouble to investigate his claim, and then it will be on record if a board is established.

Mr. *Lloyd.*] Of course there is no obligation on a sanitary authority to do that; they might put the claim in their pigeon-holes, and there it would be.

Chairman.] At all events people do not make claims without some justification. I do not think you need be afraid of it.

Mr. *Leake.*] You will be on the alert.

Mr. *Story-Maskelyne.*] You might say "sanitary authority" or "Local Government Board."

Mr. *Lloyd.*] We will leave it as it is.

Chairman.] Having done that I think you should alter the words "such compensation board" to "the board." There is nothing more upon that is there?

Mr. *Marshall.*] Then on Sub-clause 5 comes an important question with regard to the right of appeal.

Mr. *Story-Maskelyne.*] I think in Clause 2 there ought to be the words "compensation board." You say it will be lawful "for the board from time to time," I have no doubt the board may be held to mean compensation board, but I think it will be as well to put it in.

Mr. *Kennedy.*] It might be so altered to make it quite clear.

Mr. *Marshall.*] On the following page there arises a very important question.

Mr. *Kennedy.*] I might perhaps tell the Committee what that is as it is our clause; some provision, of course, should be made in the interests of *bonâ fide* claimants, amongst others for an appeal

appeal where there is a large amount at stake. We do not want to encourage litigation where there are small amounts. But this board is not a board of experts in any sense of the word, and they will have rather difficult questions sometimes to deal with. Assuming that their claims are small it may be that it is better to even let a certain amount of possible mistake be made. It is not like a reference, as in the Lands Clauses Act, or Railway Clauses Act, to a skilled arbitrator, or a jury. You have a number of gentlemen who are, no doubt, anxious to do their duty without special knowledge, but in the interests of the public who have to pay, and those who have real claims, if there are big sums, it is only just I think, there should be some appeal, and what we propose is only an appeal where there is something so substantial as to make it worth while to give all the parties the right of a proper investigation. We propose in Sub-section 5 these words, "any brine pumper liable according to the returns made by him under this Act to pay 300 *l.* or upwards in any one year in respect of the maximum rate hereby authorised, or any claimant may, seven days before the day appointed for adjudication in the case of any claim exceeding in amount one thousand pounds," that of course would be a very big stake, "give to such board notice that he objects to the board adjudicating on such claim, and where notice of objection has been given by the brine pumper he shall give a like notice to the claimant, and on such notice being given such board shall not proceed to adjudicate on the claim objected to, and the claimant shall be entitled to such remedy against the board as is hereinafter mentioned." Shortly, it is this: If either a claimant or a brine pumper, with this very heavy stake, thinks there ought to be a further adjudication, and a more careful investigation, he should have the right, and of course at the risk of cost to himself, to have the thing tried in a court of law. There will not be, of course, the same reference to a judicial or semi-judicial tribunal as there is in railway compensation cases; still, in those exceptional cases, it is thought there should be a right to have the thing fully fought out. That is the provision, and a not unreasonable one, I think.

Chairman.] You propose by this, that he is not to have to prove anything about the damage to be done by the particular person, he is to sue the board.

Mr. *Kennedy.*] Of course. The whole frame of the Act is that he is to be entitled to compensation under the Act.

Chairman.] That he is to sue the Board.

Mr. *Story-Maskelyne.*] It is not to be an appeal.

Mr. *Kennedy.*] No, we do not want two or three tribunals. But if it is a thousand pounds claim, and also the person who is claimant or pumper is a person who substantially contributes to it, or is a substantial claimant, as the case may be, then he shall have the right, at his own risk, of course, to have the question settled in a court of law.

Mr. *Leake.*] The question being assessment of damage.

Mr. *Kennedy.*] The question being his right to damage. It may be amount, or it may be title. Of course, they are very difficult questions. Difficult questions, indeed, may arise about damage, and how far, in certain cases, it is really due to subsidence, and all we mean is that the door should not be absolutely shut on those very big cases which may be a very serious tax, and a very serious drain on the compensation fund.

Mr. *Story-Maskelyne.*] Would it not come to the same thing if we gave a right to appeal as to certain sums beyond a certain point?

Mr. *Kennedy.*] That means this. In these days the public complain of the number of appeals, and we do not want a case tried twice over. There is no power in this Act for anything like a judicial hearing before the board. It will be a rough and ready proceeding.

Chairman.] How is this going to help you? What you are afraid of is, that the compensation board will allow claims which they ought not to do. This man is to bring an action against them, but how are you going to prevent the compensation board entering no appearance to that action?

Mr. *Kennedy.*] I have not gone on to that. It is very simple. That is done by No. 7: "Every claimant whose claim has been excluded from adjudication by the board by reason of notice given by a brine pumper or claimant shall be at liberty to sue such board." Then No. 8 is, "Every claimant so suing shall within seven days of the commencement of his proceedings give notice thereof to the brine pumper who has to take the risk and apply to the court for directions.

Chairman.] You mean the brine pumper has to pay the costs, and not the compensation board.

Mr. *Kennedy.*] If any one man objects, he is the person who must run the risk if the issue is found against him.

Chairman.] The brine pumper is not to fight at the cost of the compensation board, but at his own costs.

Mr. *Kennedy.*] You will see, Sir, the costs are dealt with by Clause 9: "The costs of the parties to any such proceedings shall be paid by and to whom, and in such manner as the court or a judge thereof shall direct; and the court may, if they think fit, direct that all or any part of such costs shall be paid by the brine pumper by whom the notice of objection was given." Of course you cannot pre-judge that matter.

Mr. *Story-Maskelyne.*] Presumably the process would not be a very expensive one before the compensation board, would it? It would be simply a plain reference, and there would be no expense at all. Therefore the expense of going on appeal, to, say, the County Court Judge, or whoever it may be, would not be very much greater

greater than if one went there in the first instance.

Chairman.] What they are afraid of is the compensation board giving compensation which they ought not to give.

Mr. *Story-Maskelyne.*] They should appeal from that to a higher court?

Mr. *Marshall.*] The Committee would perhaps like to hear what the provisions proposed are with respect to the matter of appeal. Subsequently the Committee will be bound to have before them three or four clauses dealing with appeals to various courts. The Committee have heard the proposal made by Messrs. Brunner Mond and Company, the practical effect of which would be that in all claims above 1000 *l.* any brine pumper paying a certain amount to the rate would have the power of putting a veto on a hearing by the compensation board and compelling a resort to a superior court, and the claimant would be obliged to bring an action. That would be an expensive or a somewhat expensive remedy. Then Section 26 already provides that in case of the board disallowing a claim in respect of the title or interest of the claimant in the land damaged by the subsidence, there should be an appeal to the County Court Judge. If that section stands it provides a sufficient and cheap appeal in respect to that matter. The Sub-section 2 already in the Bill provides that "if a Board allow a claim or any item thereof, any person assessed to the last rate made under this Act in aud for the district may appeal in manner in this section mentioned against such allowance on the ground that the board ought to have decided that the claimant had not (as respects such claim or item) such title or interest as hereinbefore mentioned." Then with regard to the question of title or interest, a power of appeal is given fully by the Act, and an appeal of a cheap character to the County Jourt Judge.

Mr. *Kennedy.*] That is only on title.

Chairman.] And not on the amount of compensation?

Mr. *Marshall.*] Not on the amount of compensation, Sir. The Salt Union propose to amend Clause 26 by giving power to the compensation board to state a special case in regard to any case whatever that may be before them. That would, of course, be in respect of matters of law. I do not know what the Committee may think of that proposal, but there it is as a proposal. Also they propose that in respect of the quantity of brine as to which any brine pumper ought to be assessed he should have a power of appealing to the Quarter Sessions against the rate. No doubt that is a different point, but those are all various points which are sought to be provided for by the proposals which are now for the first time made.

Mr. *Story-Maskelyne.*] It says, I think, that he may sue such board in any court of competent jurisdiction. What does that mean?

Mr. *Marshall.*] Either the superior court or the county court.

Mr. *Story-Maskelyne.*] Does it mean with a jury or not?

Mr. *Marshall.*] With a jury or not, as he pleases.

Mr. *Story-Maskelyne.*] Who is to decide it?

Mr. *Marshall.*] It would not mean the county court, by the way, because the county court would not have jurisdiction to entertain the claim. It might be with a jury or not, as the parties may agree, either party would have the power to give notice for a jury. The proposed amendment, I think, makes the matter one of considerable expense.

Chairman.] I think the Committee are unanimously of opinion that the compensation board must be the first tribunal. There must be no going to any other court until the compensation board has decided upon the question. There may be appeals, but that must be the first step to be taken.

Mr. *Marshall.*] Then Sub-section 5 will come out which gives the power of veto, and also the words in Sub-section 6 in the third line, "and not included in any notice of any such objection." While the Committee are upon Sub-section 6, may I mention that there are some words at the end which it is proposed to introduce, which are thought objectionable, namely, "or by agreement with the claimant may refer any claim to arbitration"; that, again, is providing another tribunal, and there does not seem to be any adequate reason why it should be so.

Mr. *Kennedy.*] It is only by agreement; the claimant must agree.

Mr. *Marshall.*] But why should it be that there should be another tribunal suggested. Arbitrations, as you know, Sir, are sometimes expensive things.

Mr. *Kennedy.*] But the two parties have to agree. There might be an expert in the district to whom, by agreement, the matter would be referred.

Chairman.] I do not see why this should be objected to, because by agreement the parties might always go and settle their differences, without coming to the board at all.

Mr. *Kennedy.*] Very often there might be a good man who was an expert in these cases, to whom the parties could go.

Chairman.] Quite so, and the compensation board of course cannot compel people to come before them if they do not want to do so.

Mr. *Marshall.*] Very well, Sir. Then Sub-section 7 comes out, and Sub-sections 8 and 9 also.

Chairman.] Now we come to Clause 23.

Mr. *Kennedy.*] After the decision of the Committee, our suggestion as to Clause 23, with reference to a judge or a jury, and so on, will come out.

Chairman.] Do you propose a new clause instead of the third clause?

Mr.

Mr. *Kennedy.*] No Sir.

Chairman.] The words "the board or other tribunal" are here now.

Mr. *G. A. R. FitzGerald.*] Those will come out, Sir, in consequence of the decision of the Committee.

Mr. *Kennedy.*] We now come, Sir, to what was referred to by my learned friend as being a proviso which would protect us sufficiently, and as long as it is worded in a satisfactory way, I do not think that I shall raise any objection. "The board shall disallow any claims for damage which in their opinion shall not be caused by by any subsidence of land." We propose to put in these words: "Shewn to be the result of any pumping of brine." That, Sir, may be shewn in two ways. Of course, when a claimant comes he may shew very clearly that the damage arose largely from another source and the board would disallow it, or the respondents, the brine pumpers, might be able to shew affirmatively upon their side that the damage was caused by something else than the pumping of the brine. I think therefore it is reasonable that those words should go in.

Mr. *Marshall.*] The real question I take it is upon which party is to be the burden of proof, and the Committee have already decided that the burden of proof is to be on the brine pumper.

Chairman.] I think it should read "shewn not to be caused by."

Mr. *Story-Maskelyne.*] Is it worth while putting in any such words?

Mr. *Kennedy.*] Yes, Sir. I am afraid it is necessary, otherwise if you leave the word "subsidence" all through the Bill it might mean that you are to pay for subsidence however caused.

Chairman.] Will not these words do "a board shall disallow any claim for damage which in their opinion was not caused by subsidence of land," or "for subsidence of land which is proved not to be caused by brine pumping."

Mr. *Kennedy.*] Yes, Sir. I think that will meet the difficulty.

Mr. *Marshall.*] Then will come in the words, "after the passing of this Act."

Chairman.] This is not a new clause is it—this is the clause in the Bill?

Mr. *Kennedy.*] Yes, sir. Now we propose to add at the end words which I think are just, looking at what has fallen from the Committee.

Mr. *Marshall.*] I do not know whether you quite follow; after the words you suggest, "not to have been caused by brine pumping," the words should come in "after the passing of this Act."

Chairman.] Yes; I wish you would read the clause straight out as it will come.

Mr. *Kennedy.*] "A board shall disallow any claim for damage which in their opinion was not caused by subsidence of any land, or by subsidence of land which is proved not to have been caused by brine pumping after the passing of this Act, or in respect of which in their opinion (subject to appeal as in this Act mentioned) the claimant has not such title or interest as would entitle him to recover under this Act, and shall disallow any claim to the extent to which in their opinion the damage in respect of which the claim was made has been occasioned, or increased by any neglect or default of the claimant, or of any person by whose acts he is affected or bound, or by the buildings or other matters in respect of which the claim was made, having been of an unnecessarily expensive kind, or improperly constructed, having regard to the liability of the district or any part thereof to subsidence." Then come the words we propose to add: "And shall disallow any claim in respect of buildings which such board shall be of opinion ought not to have been erected, having regard to the condition of the land on which any such buildings are erected at the time of such erection." Otherwise you will see the amount of danger that the mere prospect of this Act may bring into force. That is to say, a person may think it to his advantage now there is a fund to go upon, to build upon places which, without anybody being able to prevent him, are not proper places to build upon. Claims one knows in connection with railway companies, unfortunately, are bought and procured in various ways, and we do not think that claims ought to be created by putting up buildings, not merely of a too expensive kind, but by putting up buildings at all upon land which will, in the ordinary possibilities of structure, fall in, and then coming upon the fund.

Mr. *Story-Maskelyne.*] You would debar anybody from building a house I suppose within a mile of Winsford?

Mr. *Mather.*] You would open the door to a large amount of difficulty there. Why should anyone build a house on land of that kind because under the compensation clause here he cannot possibly recover the whole amount; he may recover the full amount of the structure but there would be no inducement for him to do anything of the kind. He would make no money by it.

Mr. *Leake.*] A jerry builder would be encouraged to run up cottages probably.

Chairman.] I think no man would be fool enough to throw away his money in that way. I think it is very hard to prevent a man building where he may fairly build, and this might have that effect.

Mr. *Kennedy.*] If you think there is no danger, Sir, I do not want to put it in.

Mr. *Marshall.*] Before reading the next clause it is desirable to read this over as amended, because I think the Committee will see then that the words "after the passing of this Act" are not required. As the matter stood before the amendment some date after the formation of the board or after the passing of the Act was required, but these words are general and absolute. I will read them: "A board shall disallow any claim for damage which in their opinion is not caused by subsidence of any land or by subsidence of land which is proved not to have

have been caused by brine pumping." That in any event would be so, whatever the time. Therefore the words, "after the passing of this Act," have nothing to do with it.

Chairman.] We will take those words out. I do not think they are wanted. Then we come to Clause 24.

Mr. *Kennedy.*] I bring up nothing under Clause 24. In Clause 25, I think the words should be "any sum awarded by a board." "Any sum awarded" is rather vague.

Chairman.] Very well. Then you will want the words "And may, subject to the provisions of this Act, be recovered."

Mr. *Marshall.*] Then I think the following words may be taken out: "Three months after the expiration," because there can be no reason for waiting all that time.

Mr. *Story-Maskelyne.*] It appears there is certain work to be done under Clause 27 that may take that period to do.

Chairman.] I do not think you ought to allow the board to be county courted in a week's time, that would be rather unreasonable. I think three months may very well be left in.

Mr. *Kennedy.*] Then 25a and 25b will go out owing to the Committee's decision.

Mr. *Marshall.*] In Clause 26, line 3, the word "land" should be changed to "property." Fences and other things are mentioned which are not land. Then in Sub-section 6, in the second line, the word should be "discretion" instead of "direction."

Mr. *Lloyd.*] I propose on behalf of the Salt Union to omit from Sub-section 5 the words "by special leave of the county court judge." I do not understand on behalf of the promoters there is any objection to that. The object of it is simply to leave this matter on all fours with every other matter that has reference to county court jurisdiction. Under certain circumstances the county court judge's leave is requisite; under certain circumstances it is not, and all I propose by my clause is to make proceedings in the county court in these matters precisely the same as proceedings in all other matters.

Mr. *Marshall.* We will undertake to do that.

Chairman.] I think that is reasonable, because this is supposed to be an impartial board.

Mr. *Lloyd.*] Quite so. There is another matter as an alternative remedy proposed by Sub section 5 of the clauses brought up by the Salt Union in these words: "Any person aggrieved who desires to question an order or determination of the board on the ground that it is erroneous in point of law, may apply to the board to state a special case setting forth the facts," and so on. The object of that is, that if there is simply a short point of law as to the interest or title of the claimant, instead of going through the elaborate process of appealing from the decision of the board by going to the county court, and possibly from the county court on the point of law to the high court, we may have the alternative remedy, as there is always in summary jurisdiction matters, of going direct to the high court by special case simply raising a point of law. It is an alternative remedy only, and therefore cannot add to the expense, and would shorten the time and expense of getting a short point of law determined.

Mr. *Marshall.*] The objection to that would be this: that there is no provision in the Bill so far in the shape of the appointment of a law clerk. Stating a special case is a matter that certainly requires the training of a lawyer; and there would be no lawyer salaried for the purpose.

Chairman.] I suppose they could employ a lawyer to do it for them.

Mr. *Marshall.*] It would be a difficult thing to bring in a solicitor for that purpose.

Chairman.] Surely this compensation board will be bound to have a solicitor. They will be constantly having small cases arising I should think.

Mr. *Marshall.*] So far there is no provision for that in the Bill.

Chairman.] They might employ anybody that they liked. I do not think there is any objection that they cannot get a legal opinion, because it is obvious that a board of this kind, with compensation cases arising every day in the week, must employ a solicitor.

Mr. *Story-Maskelyne.*] I suppose there are clauses in the bill enabling the board to organise itself.

Mr. *Marshall.*] To employ officers; yes. Then I would point out that this would give an appeal in respect of any point of law that might arise; whereas the provision in Clause 26 is only in respect of questions that may arise as to title and interest in the land. If the Committee think it should be as general as that suggested, no doubt there would be no objection.

Chairman.] I presume it is very likely there will be rarely appeals at law; it will be all on questions of fact. This would be a more economical way of raising an appeal.

Mr. *Marshall.*] There would be no objection on the ground of expense.

Chairman.] We think, then, it may as well be admitted, because it is quite clear they will be able to get a legal opinion.

Mr. *Kennedy.*] I was going to ask upon that, if I might, whether you could not add to this clause, or alter any words in this clause which would, so to speak, take the place, in a way the Committee may think better, of the proposals we made before with regard to appeal. The Committee have decided every question should go first before the compensation board. Now, this clause as it stands merely provides for an appeal to the county court on a question of title. Subject, of course, to a large limit, and assuming there is a large sum, we submit there ought, at any rate, be a right of appeal to the county court by a substantial party, a person who has to pay

300 *l.* a year, or where there is a claim of 1,000 *l.*, as much as upon the question of title, in justice, you may say, to those who are entitled to the fund, as well as those who have to pay.

Mr. *Story-Maskelyne.*] What other questions of law would there be possible?

Mr. *Kennedy.*] It is not a question of law, but the amount to be paid. In ordinary compensation cases, as the Committee are aware, even with a skilled arbitrator, questions of considerable difficulty arise very often on the ground of compensation, particularly where structures are involved, and questions upon which even men of intelligence might go wrong as to what evidence is admissible, and what weight ought to be given to evidence. A claim of a thousand pounds ought fairly to be open to some appeal, the less expensive appeal the better; therefore, I should suggest, not merely on questions of title, but where the claim exceeds a thousand pounds, on questions of amount also.

Chairman.] Do you think a county court judge is a satisfactory court of appeal on a question of 1,000 *l.*

Mr. *Kennedy.*] No; the law of the land has said you have to go to the high court in a sum of much less amount than 1,000 *l.*; and I should certainly prefer going to the high court upon matters which may involve questions of skill and a knowledge of the weight of evidence.

Mr. *Marshall.*] As matters now stand there is ample provision made for an appeal on any question of law, because it may be stated as a special case you go at once to the Queen's Bench Division of the High Court, and there very cheaply and in a short time be decided. Although no doubt questions of difficulty as to evidence arise in compensation cases, it is familiar to us who have taken part in them; they are never the subject of appeal because the arbitrator is made the sole judge of fact and law, and he sometimes, with the assistance of solicitors, decides questions of law which are brought before him.

Mr. *Kennedy.*] That is a different tribunal.

Mr. *Mellor.*] Might I, on behalf of the Winsford Local Board, urge this: We wish that some provision should be inserted for the protection of the small owners, and say that no appeal of any sort shall be allowed unless the claim amounts to a hundred pounds.

Chairman.] They only propose it should be on a question of law.

Mr. *Mellor.*] On any question of law they may carry us up, although the dispute might be only 50 *l.* or 75 *l.*

Chairman.] You must remember it is an impartial board which is being appointed in your own interest, with two-thirds of the interest *primâ facie* in your favour rather. Would it not be the most satisfactory thing to do this: to say that if any person paying 300 *l.* a year towards the rate, in cases where the claim amounts to more than a thousand pounds, should be allowed to carry the matter from the board to an arbitrator to be appointed by the Local Government Board?

Mr. *Kennedy.*] We are content with that.

Mr. *Marshall.*] That would create a difficulty in this way: It is quite familiar to you that arbitrations, as a rule, are extremely expensive affairs.

Mr. *Kennedy.*] Yes, but when you come to claims as large as a thousand pounds——

Mr. *Marshall.*] Supposing you take the case of a person who owns an inn or shop in Northwich who has lost property to the extent of 1,200 *l.*, or something of the kind, that would involve all the expense of an arbitration.

Chairman.] But you must remember this, that in ordinary cases of law he would be obliged to go to the courts and enforce his claim; and why should he be better off under this Act than any other? We are making the small people better off, but when a claim comes under 1,000 *l.* I do not think men ought to be exempt from the ordinary law. You may assume that no brine pumper would question an award unless he thought it a very scandalous one.

Mr. *Marshall.*] We wish to make the tribunal and procedure as reasonably economical as may be under the circumstances.

Chairman.] That is what we want to do, and it struck me as possible that you should go to an arbitrator appointed by the Local Government Board, which would be as economical a form of decision as you could have.

Mr. *Lloyd.*] May I suggest at present as the board is constituted and as the Bill stands, the pumpers are not entitled to be heard before the board at all. The claimant simply hands in his claim and the board adjudicate upon it, so that we as pumpers have no *locus standi* there at all and are never heard. Therefore supposing there is a claim exceeding 1,000 *l.* it is a little hard no pumper shall be allowed to appeal at all, considering he has never been heard. The proposal I make on behalf of the Salt Union is this, that we should have notice of all claims to be heard before the board, and in the event of the claim exceeding 1,000 *l.*, we should have the right to appeal to the high court on all points, not only on questions of law, but also on questions of fact. I understand the promoters agree to my suggestion.

Chairman.] That in cases exceeding 1,000 *l.* you should be heard before the board and have the right of appeal?

Mr. *Mather.*] Would it not satisfy you if you had a right to appear before the board and make out your case before this impartial tribunal? Why should you go beyond that, excepting as to matters of law?

Mr. *Lloyd.*] In any case, however small, we have an appeal on questions of law. Then we ask that in big cases we should be better off by having an appeal on all points; that is all.

Mr. *Mather.*] Upon the amount?

Mr. *Lloyd.*] Upon the amount.

Mr. *Leake.*] Do you claim the right to be heard on all cases, small and large?

Mr. *Lloyd.*] I am asking that. I am asking that the pumpers should have notice of the claim, that they should be heard before the board and have a right to appeal.

Mr. *Marshall.*] I think, if I may say so, Sir, your suggestion of going before an arbitrator would be better than the last suggestion made by my friend, for several reasons. It is contrary to have in ordinary procedure appeals on facts as well as law to the high court, and, therefore, it would be practically without precedent. Then if it went to trial in the ordinary way it would, as you have suggested, be referred no doubt. Therefore I take it the better course would be to take an arbitration under the recent Arbitration Act, and there would be no difficulty in getting an arbitrator appointed, and that would probably meet the views of all parties.

Chairman.] I think the sense of the Committee is rather opposed to there being any appeal except on questions of law, provided that the brine pumpers be heard.

Mr. *Marshall.*] Do I gather that would be a misrepresentation of the general body of brine pumpers; because in this case no single brine pumper would be appearing. Supposing there were 20 brine pumpers in the district, are they to delegate one of their number or how is he to be appointed.

Chairman.] They could send a solicitor.

Mr. *Lloyd.*] Surely there would be no difficulty with a body of pumpers assessed to the rate.

Chairman.] We think where there is a large claim they are entitled to be represented by a legal official.

Mr. *Lloyd.*] It is a little hard if we are to have our mouths shut and pay as well.

Mr. *Marshall.*] That is not it exactly. The difficulty is who is to appear and how he is to be nominated.

Chairman.] The brine pumpers are a fit body to elect their members, and that body may also employ anyone they like to represent them. It is not our business to form their organisation.

Mr. *Leake.*] Have you not great protection in this fact, that the compensation board have a great interest in not wasting their fund by an improper allotment of damage?

Mr. *Kennedy.*] I should suggest this. One knows that in cases of claims there are not unfrequently claims that require very close checking.

Chairman.] If you can suggest the words please do so. The Committee are opposed to there being an appeal on questions of fact at all, but where the claim amounts to 1,000 *l.* they think it reasonable that the brine pumpers should be heard before the board, and if you can suggest words that will bring that in we shall be glad. We also, of course, with the consent of the promoters, have admitted your clause with regard to the statement of a case, and if you can suggest words as to that we will put them in. You have not asked anything about Sub-section 4. You began at Sub-section 5.

Mr. *Lloyd.*] Sub-section 4 appears on the top of the page, and the only difference between that and Sub-section 4 in the Bill, is that I have taken out "By special leave of the county court judge."

Chairman.] Now, there is this next clause of yours.

Mr. *Lloyd.*] There I have put in a special case. Now we want words to carry this into effect.

Chairman.] That we have not considered because of the other clauses that were brough' up.

Mr. *Mellor.*] What I want to say is on behalf of small people; where claims are made of 25 *l.*, 50 *l.*, or 75 *l.*, there should be no appeal of any sort, whether on point of law or question of fact. Appeals are often limited to their money value, and I submit that whatever sum the Committee might think just to limit it to, it certainly appears to the local authority there should be some limit to these appeals, otherwise every case may be appealed.

Mr. *Mather.*] I understand it is limited to a certain amount.

Mr. *Mellor.*] No, not on a question of law. On a question of law they may go to the county court and come up to the high court.

Mr. *Lloyd.*] That is not so. I said specifically we should be subject to the ordinary law, and therefore we could not go beyond the county court unless the claim exceeded 20 *l.*, without the special leave of the court, subject to the county court judge's leave.

Mr. *Mellor.*] I should suggest 100 *l.*, or at any rate 50 *l.*

Chairman.] Where would that come in?

Mr. *Mellor.*] At the end of the clause after they have dealt with the large matter.

Mr. *Kennedy.*] Instead of bringing up a clause might I ask the Committee, if I am not unduly taking up time, to leave a power simply under the clause the Committee have already passed (our Clause D. substituted for Clause 22 of the Bill), and leave it to the bye-laws to be made by the board as to whom they shall hear, how it should be, and what the size of the claim should be on which they should hear pumpers. As it stands at present those bye-laws are only as to a form of bringing a claim forward, but we should be content to leave it without drawing an arbitrary line of 1,000 *l.* if the board thinks the pumpers ought to be allowed to appear if it is under 1,000 *l.*

Chairman.] We do not want them to appear; it will add to the expense if it is a small sum.

Mr. *Kennedy.*] But it will be at their expense.

Chairman.]

Chairman.] It will add to the expense of the claimant.

Mr. *Lloyd.*] We are anxious to appear on all claims.

Chairman.] But you know very well that no man appears against another without adding to his expense. I think if you are entitled to appear on a claim of 1,000*l.* it is quite sufficient. Have you your words ready?

Mr. *Lloyd.*] No, I have not, Sir, at present.

Chairman.] I do not see there is any provision for appealing by anybody. It is only the claimants who can appeal. You do not want it, and there is no provision for appealing. There must be something in this new clause; you must go on.

Mr. *Mellor.*] It will come in at the end of my friend Mr. Lloyd's clause most conveniently.

Mr. *Marshall.*] Possibly it might come in under Sub-section 2: "If a board allows a claim, or any item thereof, any person assessed," and so on, "may appeal."

Chairman.] Yes, that is where it will come in.

Mr. *Mellor.*] Yes; "provided that in no case shall there be any appeal, provided the amount claimed does not exceed one hundred pounds."

Mr. *Lloyd.*] Surely that makes my case for being heard much stronger. Now my friend has succeeded in shutting my mouth altogether; and I am very much obliged to him because he has put me in this position: There is claim of 99*l.* against a pumper, and I am not to be heard before the compensation board, and I am to be deprived of any appeal.

Mr. *Mellor.*] "Provided that in no case shall there be any appeal where the amount claimed does not exceed one hundred pounds" are the words.

Mr. *Story-Maskelyne.*] I suppose you may have twenty different claims made or objections made by 20 different ratepayers under this Sub-section 2.

Chairman.] You must remember when you say you are not represented that you have three members on the board to take care of your interests.

Mr. *Lloyd.*] Yes, but six on the other side.

Chairman.] Yes, I know; but they will be just as well able to look after your interests as your solicitor. They will see justice done to you.

Mr. *Lloyd.*] They will not know the particulars of a case the same as a pumper does.

Chairman.] Your brine pumping board has only to send a brief to them. It is perfectly easy, and cheaper.

Mr. *Mather.*] The other side, consisting of three county councillors, is not necessarily against you.

Mr. *Lloyd.*] There seems to be a sort of innate hatred against the salt-pumpers. Take this instance: Supposing they were to fix a day and hear any number of claims appointed, and supposing there are a hundred claims of 99*l.* against the Union.

Chairman.] That is not what we want to hear. We want to hear you as to the 1,000*l.*

Mr. *Lloyd.*] You are determined not to hear me upon the smaller amount, Sir?

Chairman.] Quite.

Mr. *Lloyd.*] I would ask you as a last resource to reduce it to 500*l.*

Chairman.] You have your three members there to look after you, and they are not anxious to pay more than they can help anyhow.

Mr. *Lloyd.*] "Notice of every claim exceeding one thousand pounds in amount shall be given to the brine pumpers in the district, and they shall be entitled to be represented, and to be heard before the compensation board on the consideration of such claim.

Chairman.] I think you should say "the members representing the brine pumpers" because you cannot send it to every brine pumper. If you have to give notice it must be to some specific people you can get hold of; you cannot get hold of the whole of them. If it was sent to their representatives on the board I think that would reach them.

Mr. *Story-Maskelyne.*] They all have a clerk, I presume, or a secretary?

Mr. *Lloyd.*] I think the proposal would do very well that notice should be sent to representatives on the board.

Mr. *Story-Maskelyne.*] I think these men ought to occupy a judicial position, and I do not think they ought to be looked upon as representing any special interest when on the board.

Mr. *Marshall.*] If the claim be sent to the board itself, that would be sufficient surely.

Chairman.] Yes, "special notice shall be sent to all the members of the board of any claim exceeding 1,000*l.*" Will that do?

Mr. *Lloyd.*] Might I ask this, that notice of every claim should be sent to the board.

Mr. *Kennedy.*] I do not think the Committee need be detained over this; because by one of the clauses already passed there is a notice to be given in writing.

Mr. *Lloyd.*] Yes. So it will do as it stood originally: "Notice of every claim exceeding in amount 1,000 *l.* shall be given to the board in the district."

Chairman.] I should put "special notice" because that would be separate from ordinary notice.

Mr. *Marshall.*] There is already a provision in Section 22 as amended.

Chairman.] I should have thought it was quite sufficient to say "The brine pumpers shall be entitled to be heard before the board in all claims exceeding 1,000 *l.*"

Mr. *Lloyd.*] So it will, Sir.

Chairman.] We will put that in after your special case clause.

Mr. *Lloyd.*] If you please, Sir.

Chairman.] Does that meet with approval. The brine pumpers shall be entitled to be heard before the board in all claims exceeding 1,000 *l.*

Mr. *Marshall.*] It is doubtful what "might be heard" may mean. Supposing there were 20 pumpers in the district.

Chairman.] I think every one knows what that means, they will be represented by someone or other. That will come in after No. 5. Now we will go to Clause 27.

Mr. *Marshall.*] As to that there are four clauses proposed to be added, which, I think, have been agreed.

Mr. *Kennedy.*] Those are our clauses, and I do not think they are objected to. They are 27 a, b, c, d, and e. They merely supplement the purport of the Bill, giving powers to purchase land by agreement and otherwise.

Mr. *Story-Maskelyne.*] What is the object of it?

Mr. *Kennedy.*] It is important that there should be power to purchase land

Mr. *Story-Maskelyne.*] With what object?

Chairman.] Do you all agree about it?

Mr. *Kennedy.*] Yes, Sir.

Chairman.] There is no Clause C. before us as far as I can see.

Mr. *Kennedy.*] There is a mistake somewhere in the printing. There is no Clause C.

Chairman.] Are those added to Clause 27 of the Bill?

Mr. *Kennedy.*] Yes, Sir, they follow the clause.

Mr. *Story-Maskelyne.*] Before you leave this I should like to know about 27 b. You can prevent anybody from building upon their land, it seems to me. Is that what you mean? You say: "It is desirable that no buildings shall be erected on any land scheduled, and that any buildings on such land shall be pulled down or removed." Are they to be compensated if that is done, or what does it mean?

Mr. *Marshall.*] I understand the promoters do not agree in the insertion of 27 B. It is a power to purchase compulsorily.

Mr. *Lyle.*] What is the intention of these clauses; what do you want to buy land for?

Mr. *Leake.*] This is all limited by the conditions under which at present a local authority can exercise its powers, is it not?

Mr. *Kennedy.*] Yes, it is all guarded by the well-considered clauses of the Public Health Act. You have to get the leave of the Local Government Board and they send an inspector down. You can only act in that way.

Chairman.] What is the objection of the promoters to it?

Mr. *Marshall.*] It has to be done by a Provisional Order, I take it, and that is a very cumbersome and expensive business. Also, there are compulsory powers. The prior clause, 17a, gives full powers to purchase by agreement, and that is all which I think they ought to have. There is also power in the Act to pay compensation once for all in cases where it is thought desirable by the compensation board.

Mr. *Kennedy.*] I think my friend does not really object to this. This is simply in the public interest. There might be a case in which there was a building dangerous to life, or to other persons' property, and yet the person who owned it might be, as some people are, rather cranky in those extreme cases; and where it is necessary for the public interest, we want the board to have some power, as local authorities have under the Public Health Act, to apply to the Local Government Board.

Mr. *Story-Maskelyne.*] If it was a dangerous place the sanitary authority could interfere, could they not?

Mr. *Marshall.*] Yes; and this is what they have done already under the powers they suggest.

Chairman.] I think if this is done under Provisional Order and there are all these precautions, there is no reason why they should not have the power.

Mr. *Kennedy.*] Now, Sir, as to Clause 28, there is very little on our part to say. The first alteration is merely verbal: "Every board shall from time to time estimate the sums required to be levied in order to pay the compensation allowed by them or for which claims are pending." That is how the clause at present stands. We suggest that it would be simpler and better to say: "Required to be levied in order to pay the claims under this Act."

Chairman.] But it is not only claims under this Act; there are expenses, too.

Mr. *Marshall.*] That follows later in the clause, Sir.

Mr. *Kennedy.*] I will read the whole clause: "And of the amount per 1,000 gallons of brine estimated to be raised or pumped under their Act in this district, which will suffice to provide for such claims and for the expenses of the board subject to the provisions of this Act."

Mr. *Marshall.*] Then the words "or obtained" would have to be struck out, and it would read in this way after "brine," "brine pumped or raised in their district."

Chairman.] We have an opinion about this, and that is that the full rate should be levied until there is a reserve fund in hand equal to one year's income. I do not know what both sides think of that. There ought to be one year's income in hand to meet any claims, because otherwise they might be obliged to spread the reasonable claim over several years. Possibly the board will only want to raise 1 *d.* or 1½ *d.* in the

the future, but we think until they have a year's income in hand they ought to levy the whole rate.

Mr. *Kennedy.*] It is only fair I should say that by the 35th section there is a special enactment about the reserve fund which will come under the consideration of the Committee later on.

Chairman.] Do I understand that you think the question could better be discussed then than now?

Mr. *Kennedy.*] I think so, Sir.

Mr. *Marshall.*] I think it will be necessary to entertain the question which you have just mentioned, Sir, because this clause empowers the board to raise their rates, and if it is confined to the claims pending, "and of the amount per 1,000 gallons of brine estimated to be raised in their district, which will suffice to provide for such claims, and for the expenses of the board," it would not enable them to raise the rate for the next year.

Mr. *Kennedy.*] I do not propose to leave in the word "pending."

Chairman.] What you mean is "estimated to be raised in their district which will suffice to provide for such claims and for the expenses of the board, and formation of a reserve fund."

Mr. *Story-Maskelyne.*] Could not Clause 35 be incorporated here? I think that would be simpler.

Mr. *Marshall.*] I think Clause 35, Sir, has a general application and should not come in here, with respect.

Chairman.] I do not think it could do any harm if you put in the words here "and for the formation of the reserve fund hereinafter mentioned." I think that will be safer.

Mr. *Marshall.*] If you please, Sir.

Chairman.] Then there is nothing more in that clause.

Mr. *Kennedy.*] Then on Clause 29, "the person who raises or obtains brine," has to be altered all through the Act, and it is proposed to put in simply "every brine pumper."

Mr. *Marshall.*] Then the word "compensation" should be inserted before "district."

Chairman.] Yes. That is all on Clause 29.

Mr. *Lloyd.*] I have to bring up a clause (29*a*), which is a fresh one: "Every brine pumper who after the passing of this Act supplies brine in pursuance of a contract made before the passing of this Act shall be entitled to be paid by the person to whom he supplies such brine, the amount of the rate levied under this Act paid by him in respect of such brine, and the amount of such rate may be recovered by such brine pumper from the person so supplied by him as aforesaid in an action in any court of competent jurisdiction." Now, the object of that is this: we, the Salt Union, have some large contracts existing at the present time to supply large quantities of brine at very small prices, and I can give you an instance of one contract where we are supplying brine at 6 *d.* a thousand gallons, and the result, if we have to pay 3*d.* per thousand gallons to the compensation fund will be that it will not pay the cost, or in other words, we shall be losing some 400 *l.* a year in carrying out that contract. Now to obviate that state of things, I ask that with respect to brine supplied by existing contracts at the time of the passing of the Act the consumer may pay instead of the pumper, in other words, that I the pumper may pay it in the first instance and be entitled to recover it back from the consumer as part of the price.

Mr. *Story-Maskelyne.*] Or you might except those contracts from the Bill altogether.

Mr. *Lloyd.*] Then the result would be that the compensation fund would lose the 3 *d.*

Mr. *Leake.*] That would be the safer and more straightforward plan, for why should not the buyer of your brine receive compensation too; he has made contracts probably.

Mr. *Lloyd.*] Certainly.

Mr. *Mather.*] That might happen to all of us who are engaged in commercial pursuits. There may be a tax, for instance, put upon machinery by this House at a certain time not hitherto levied, but when it is levied none of us will be able to charge our customers a higher price.

Chairman.] How long do your contracts extend?

Mr. *Lloyd.*] There is one of them, I am told, for 50 years, and some for 21 years. You see, Sir, we have to pay the tax on those contracts, and we shall actually not be getting back the cost of the brine.

Mr. *Leake.*] And do you estimate your loss at 400 *l.* a year.

Mr. *Lloyd.*] Yes, on one contract; and I may tell you not only that, but we are actually supplying brine baths and things of that kind free, and we shall have to pay upon that.

Mr. *Story-Maskelyne.*] You are rather late in the field in urging these objections; we should have heard them before, should we not?

Mr. *Leake.*] What purpose is the brine which you sell put to.

Mr. *Lloyd.*] I believe the large contract to which I am alluding is with my friend here, Messrs. Brunner, Mond and Company, and I am asking that Messrs. Brunner, Mond and Company may pay that tax.

Mr. *Leake.*] Does any of the brine go for the production of salt itself, commercial salt.

Mr. *Lloyd.*] No, alkali. I am apt to say in this case the consumer does not object either. When I say we are supplying Messrs. Brunner, Mond and Company who are consumers under this large contract, and they do not object to pay.

Mr. *Kennedy.*] Do not suppose it is wonderful self-denial, it is mutual. We are also sellers to these gentlemen.

Mr. *Lloyd.*] And in that case we do not object.

Chairman.] Will you read the clause again?

Mr. *Lloyd.*] Yes. "Every brine pumper who after the passing of this Act supplies brine in pursuance of a contract made before the passing of this Act shall be entitled to be paid by the person to whom he supplies such brine the amount of the rate levied under this Act and paid by him in respect of such brine, and the amount of such rate may be recovered by such brine pumper from the person so supplied by him as aforesaid by action in any court of competent jurisdiction."

Mr. *Mather.*] May I ask if the contract with the Salt Union and Messrs. Brunner, Mond and Company is to sell all they possess for the next 50 years? Is the entire brine over which these gentlemen have control allocated for the next 50 years?

Mr. *Lloyd.*] No, Sir.

Mr. *Mather.*] I mean are these contracts serious in number, extent or time. Can you give us an idea of what they mean?

Mr. *Lloyd.*] I understand the tax upon us would be 1,200 *l.* a year in respect of the brine which we have contracted for before this Bill.

Mr. *Marshall.*] The contract referred to is not now in operation, I am told, and I understand it is not likely to be.

Mr. *Lloyd.*] It is in operation.

Chairman.] Of course, if it is not in operation they will not get any exemption?

Mr. *Kennedy.*] There is one thing about it. I understand my friend means to include this, subject to the terms of the contract. The question of any burden of any sort is provided for. We do not mean to override the terms of any existing contracts.

Chairman.] Of course they will not be able to make them pay 3 *d.* more and get it back as well.

Mr. *Lloyd.*] As to the fact whether the contract is in existence, members of the board who are standing behind me, and Mr. Brunner tell me it is so.

Mr. *Story-Maskelyne.*] And they are agreed on it?

Mr. *Lloyd.*] Yes.

Chairman.] Then I think we may let that clause go in.

Mr. *Marshall.*] Then Clause 30 will require a little alteration: "the rate or rates to be made by a board on brine pumpers" (instead of persons) "liable to be rated under this Act shall not in the aggregate in any period of 12 months exceed the sum of threepence per thousand gallons of brine pumped or raised in the district by each of such brine pumpers during the preceding 12 months." The words "the preceding" will be necessary, because the quantity of brine cannot be ascertained until the end of the 12 months.

Chairman.] I suppose there is no objection to that, is there?

Mr. *Kennedy.*] No.

Mr. *Story-Maskelyne.*] The threepence is accepted all round, is it?

Mr. *Marshall.*] No.

Chairman.] Now, let us take Clause 31.

Mr. *Kennedy.*] The only alteration in 31 is the words "brine pumper" in Sub-section 3. In 32 there is no alteration. In 33 there is the same alteration as in 31.

Chairman.] And the next is the same.

Mr. *Lloyd.*] I have something to bring up on Section 33. Providing that any person who deems himself aggrieved by any rate made under the provisions of this Act may appeal against such rate to the quarter sessions for the county on the ground that the quantity of brine in respect of which he ought to be assessed is less than the quantity in respect of which he is assessed. The rest of the clause simply deals with the Bill. It simply gives us the right to appeal on the ground that we are over-rated.

Mr. *Story-Maskelyne.*] And that the compensation board is not a fit tribunal for judging that.

Mr. *Lloyd.*] Simply that our rate ought to be reduced.

Mr. *Marshall.*] Upon this clause this is the only point on which it is now suggested there should be an appeal in respect of fact, and surely the compensation board are a sufficient tribunal to assess the amount going up to a considerable amount. It may be in many cases then they would be a sufficient tribunal also to ascertain by means of evidence what the actual quantity has been; it will be ascertained by meter, and therefore it will be as simple an operation as in the case of gas.

Chairman.] Then they will not appeal unless there is some injustice. I think a really large ratepayer ought to have a right of appeal on such a question.

Mr. *Lloyd.*] This is actually a clause which was in the Bill of 1881.

Chairman.] I think it ought to be allowed, I must say.

Mr. *Lloyd.*] You have not the whole of the clause before you, Sir. "The Summary Jurisdiction Act, 1879 (as altered and amended by the Summary Jurisdiction Act, 1884) shall apply to appeals to quarter sessions under this Act, as if the rate made under the provisions of this Act were a conviction or an order of a court of summary jurisdiction." That you have; this is the rest of it: "On appeals under this Act against any rate the court of quarter sessions shall have the same power to amend or quash any rate or assessment, and to award costs between the parties to the appeal as is or may by law be vested in any court of quarter sessions with respect to amending or quashing any rate or assessment, or awarding any costs on appeals with respect

respect to rates for the relief of the poor; and the costs awarded by the said court under this Act may be recovered in the same manner in all respects as costs awarded on the last mentioned appeal. Provided that notwithstanding the quashing of any rate appealed against, or monies charged by such rate shall, if the court of sessions think fit so to order, be levied as if no appeal had been made, and such monies when paid shall be taken as payment on account of the next effective rate made or to be made under this Act." That is merely the procedure.

Mr. *Marshall.*] That is a very long and complicated clause, which we have not had time to see in any way, and have not had time to consider, which we should have an opportunity of doing.

Mr. *Lloyd.*] The section was passed in the 1881 Bill. The procedure was to be subject to Section 269 of the Public Health Act. Section 269 of the Public Health Act is now replaced by the section of the Summary Jurisdiction Act to which I have alluded, and this portion of the old section is still left. That is all that long paragraph means.

Mr. *Marshall.*] There is power taken amongst other things to quash what is called the rate of assessment. That I apprehend would be an extremely objectionable thing.

Chairman.] That will have to be brought up to-morrow morning. Then there is nothing on Clause 34. Then comes Clause 35.

Mr. *Kennedy.*] In Clause 35 there were certain suggestions to the Committee to strike out the words (I do not know why) "exclusive of interest accrued." It should run, "provided that the rate shall not in any case exceed the limit of 3 *d.* per thousand gallons of brine, and that if and so long as the reserved fund." It stands now: "Exclusive of interest accrued exceeds in amount the aggregate sum of the maximum rates leviable under this Act in the last three years for the time being, no additional rate shall be levied under this section." We propose in short, that the interest should be available for distribution. That is a point of policy. We think it only fair.

Mr. *Marshall.*] We submit the interest ought to be retained for the benefit of the reserve fund, whether a large or a small one. One does not know what it may be.

Chairman.] This means as long as the reserve fund exceeds the average of the year's income.

Mr. *Kennedy.*] The minimum rate is leviable for three years; then they shall not levy any additional rate.

Chairman.] I do not think you want the income as well.

Mr. *Kennedy.*] I think it is rather unreasonable.

Chairman.] I think that three years' income is very considerable. Take out the words "exclusive of interest."

Mr. *Kennedy.*] Then it goes on "the interest from time to time accruing on moneys standing to the credit of a reserve fund may, at the discretion of the board, be from time to time applied towards payment of compensation under this Act, or be accumulated as an addition to the reserve fund." Then we propose: "It may at the discretion of the board from time to time be applied towards the payment of claims under this Act." I do not not suppose that will be objected to.

Mr. *Marshall.*] That I apprehend is part of the previous suggestion really.

Chairman.] Is it necessary there to put in anything that they must raise an annual rate until they have at least a full year's income in hand; because this does not compel the establishment of a reserve fund at all.

Mr. *Kennedy.*] No; it is permissive no doubt.

Chairman.] I think we should say, "and the full rate shall be continued to be levied until there be a reserve fund equal to at least one year's income."

Mr. *Lloyd.*] I have to ask you on behalf of the Salt Union to strike this section out altogether.

Chairman.] No, they must have a reserve fund.

Mr. *Lloyd.*] They are merely a rating body, and there is no other rating body in existence which has any power to a reserve fund.

Chairman.] I think it is desirable they should have it.

Mr. *Lloyd.*] The brine pumpers are a pretty stable body, and they can come down on us.

Mr. *Leake.*] They cannot take more than 3 *d.* in the year.

Mr. *Lloyd.*] But we have certain people at this moment who are shareholders, and if 1½ *d.* would do for this year, it is a little hard on the present shareholders that they should have to pay 3 *d.*

Mr. *Mather.*] They can arrange that; that is a matter of account.

Chairman.] This would meet it, would it not: "And a full rate of 3 *d.* should continue to be levied until the reserve fund amounts to at least one year's income"? I think it is a body that must have a reserve fund. You might have a very serious claim in one year, and it is very inconvenient to have it spread over two or three years.

Mr. *Lloyd.*] They have taken power in the Bill to spread it over.

Chairman.] I know they do, but it is much better they should not have done so. I think we ought to have a year's income in hand before we reduce this tax. It is not a very heavy one, and we have already relieved you from some liability.

Mr. *Marshall.*] Would not the words required to be added "of at least one year's income at the maximum rate"?

Chairman.] Yes.

Mr. *Lloyd.*] Have you retained in Clause 35 the power to raise the reserve fund up to the aggregate of three years' income, Sir?

Chairman.] No; one year's aggregate. We have retained the power to have three years' income, but we have compelled them to have one year's income before they reduce.

Mr. *Lloyd.*] With power to have three?

Chairman.] Yes.

Mr. *Lloyd.*] That meant 75,000 *l.* in hand?

Chairman.] If they like.

Mr. *Lloyd.*] But they like a good deal.

Mr. *Mather.*] Why should they?

Mr. *Lloyd.*] Because they cannot raise more than 25,000 *l.* in one year, and therefore they might like in any one year to raise all they can. It is 3½ per cent. on our capital they are dealing with.

Mr. *Leake.*] They cannot rate you at more than 3 *d.* in the year, but they may continue to rate you at 3 *d.* until they get three years' income.

Mr. *Lloyd.*] And they could go on with the 3 *d.* unless they keep their fund up to 75,000 *l.* If it gets to 74,000 *l.* they go on with their 3 *d.* again.

Chairman.] Do you not think a reserve fund of 12 months' income is sufficient, Mr. Marshall?

Mr. *Marshall.*] Perhaps the Committee would not mind, as the matter must necessarily be gone into to-morrow, leaving that clause over for consideration, and also Clause 40, of which some modification will be required. But the total striking out of it will not do, because there must be some power by *mandamus* to compel the payment of claims.

Chairman.] We will leave those two till to-morrow. Then there is also a clause which you want to bring in.

Mr. *Freeman.*] I have to bring up several clauses which are agreed.

Mr. *Lloyd.*] May I make my 29a complete. We wish to put in these words in order to protect existing contracts: After "the amount of the rate levied from time to time under this Act and paid by him in respect of such brine," the words "unless such contract shall otherwise provide."

Thursday, 23rd April 1891.

MEMBERS PRESENT:

Mr. Gainsford Bruce.
The Hon. J. Gathorne-Hardy.
Colonel Hill.
Mr. Leake.
Mr. Lyell.
Mr. Story-Maskelyne.
Mr. Mather.

THE HONOURABLE J. GATHORNE-HARDY, IN THE CHAIR.

Mr. *Pember.*] THERE is something I should like to get on the Notes, which by mistake between my learned friend and myself (I dare say it might have been my fault), has not gone in the Notes the first day the Committee began these clauses. It is to state what the position is of the Salt Union and others for whom I appear. Of course in the ordinary way one does not appear on clauses if one intends to take one's opposition to the other House. It is true that by a new Standing Order we are no longer prejudiced in that regard. The new Standing Order allows one to go against the preamble in the Second House if one goes against clauses in this House. At the same time in a general way one does not do it; but this occasion was a special one, and we thought on the whole we were bound to come here on clauses and take advantage of the Standing Order; because this is a public Bill; and it is not certain we should have a right to appear against it in the Second House. Your House has thought fit to allow all petitioners to be heard by counsel; the Second House might take a different view; and therefore we might not have had an opportunity of discussing clauses unless we had discussed them here. I merely want to emphasise it by saying we reserve our rights to appear on the preamble in the other House, although we have done our best to shape the Bill here.

Chairman.] I think that has been said by your junior yesterday or the day before.

Mr. *Pember.*] I was not aware of it.

Mr. *Lloyd.*] I told my learned leader yesterday that I had not mentioned it; but I told him before I had had an opportunity of saying anything about it to the Committee.

Mr. *Marshall.*] Perhaps, Sir, I might ask your attention at once to the amendment which, at your suggestion, was put in as an addition to Clause 26 as to brine pumpers being entitled to appear and be heard before a board on all claims exceeding 1,000 *l.* Clause 26 is an appeal clause only, and it strikes me it would be more in order if it was added to Clause 23, which deals with the mode of dealing with the claims by the board itself. It is a mere question as to which point it should be inserted at.

Chairman.] I practically really put it here, because I had a convenient place to write it upon. As a matter of fact, I think it would be of great convenience if Bills were given to Members interleaved. The question was raised here, and there was a blank piece of paper to write it on, so I wrote it there.

Mr. *Marshall.*] Then as to Clause 10, relating to the constitution of the board, it is suggested that it would be seriously defective unless the words, "not being brine pumpers," these words are added, "or persons employed by them;" because, in the case of the Salt Union, or any other large company, the actual brine pumpers, according to the definition, will be persons who are not so nearly interested as persons in the employ of the company. A brine pumper would be defined by the Act as a person who raises brine from pumps, wells, springs, or mines; and therefore, in the case of the Salt Union, it would only include the shareholders and directors, and not managers and other persons of that class who would be in their employ. Of course the corporation itself could not sit on the board, and, therefore, "not being brine pumpers," in their case would have no application whatever as a corporation.

Mr. *Kennedy.*] What words do you propose to put in?

Mr. *Marshall.*] After the words "not being brine pumpers" "or persons employed by them."

Mr. *Kennedy.*] "Employed by them in such brine pumping."

Mr. *Marshall.*] That might create a little difficulty, because if it was restricted to "in such brine pumping," it might be said to mean only persons who are engaged in actual brine pumping. Of course the same objection would apply to clerks and others who are actually in the employ and pay of the company.

Mr. *Kennedy.*] Where do the words exactly come in as it stands?

Mr. *Marshall.*] They come in twice in Clause 10: "Of the members of every compensation board one-third shall be appointed by the brine pumpers within the district." Of course it does

not come in there. "One-third not being brine pumpers shall be appointed by the county council of the county in which the district," and so on, is situate, "one-third not being brine pumpers shall be appointed by the sanitary authority."

Chairman.] The county council comes first, as originally settled; "one-third by the county council; one-third shall be appointed by the brine pumpers, and one-third not being brine pumpers shall be appointed by the sanitary authority."

Mr. *Kennedy.*] I thought the words "not being brine pumpers" appeared as to the county council.

Chairman.] It occurs twice over, both as to the county council and as to the sanitary authority.

Mr. *Marshall.*] If those words are added it would remove all objection.

Mr. *Gainsford Bruce.*] Is there any interpretation clause with respect to brine pumpers?

Mr. *Marshall.*] Yes.

Chairman.] Would it not be better to put in "a brine pumper is a person engaged in," and so on?

Mr. *Marshall.*] I am afraid that would have too large an application.

Mr. *Kennedy.*] They might come in in taxation, and, of course, it is not intended their servants should pay.

Chairman.] One does not like going back upon a thing; but you do not raise any objection, do you, Mr. Kennedy?

Mr. *Kennedy.*] As long as the words are narrowed to persons actually employed in brine pumping, no.

Mr. *Marshall.*] That would mean the few persons, and they are a very few, who are actually employed in brine pumping.

Mr. *Kennedy.*] "In the business" would do. We do not want to exclude anybody who is employed in the business of brine pumping.

Mr. *Mather.*] What are your words?

Mr. *Marshall.*] "Not being brine pumpers or persons employed by them."

Chairman.] "For the purposes of their business."

Mr. *Kennedy.*] I think that would do.

Mr. *Mellor.*] There is one clause which was agreed to yesterday which will come in after Section 7, Clause "E.," Messrs. Brunner, Mond's amendment. It is this: "The costs incurred by any sanitary authority in or about any inquiry by the Local Government Board, or in or about the promotion of or in opposition to any Provisional Order under this Act shall be payable out of the fund or rate applicable to the general expense of such authority." That has been agreed to.

Mr. *Marshall.*] Yes, we agree to that.

Chairman.] You were to prepare that clause by this morning.

Mr. *Mellor.*] Yes; you directed we should do so.

Chairman.] And it comes in at the end of Clause "E."

Mr. *Kennedy.*] If I might suggest, not under Clause "E."; it had better be made Clause "F." It will come in somewhere, Sir, under your direction.

Chairman.] I suppose it is applicable to the Borough Funds Act. This clause will not exempt local bodies from the operation of the Borough Funds Act with respect to these costs, will it?

Mr. *Mellor.*] No; the Borough Funds Act does not apply to Provisional Orders.

Mr. *Gainsford Bruce.*] It will come in in connection with Clause 20, I should think.

Mr. *Mellor.*] I think it ought to be the last paragraph of Clause A. instead of Clause 6; it a Provisional Order scheme. I have another clause to bring up which is a new clause altogether.

Chairman.] We ought to finish the Bill I think before we take a new clause if it is a thing which has not been raised and has not been ordered to be prepared.

Mr. *Mellor.*] It has not been raised at all. This is a somewhat unusual clause to put in a Bill, but I think it is a good one.

Mr. *Marshall.*] As to 33A, I have had an opportunity of reading through the proposed clauses, and the promoters entirely agree with it.

Mr. *Lloyd.*] That was the addition to 33A which I brought up. I had a copy of part of it, and I read a further portion. We are handing in a copy of it now.

Mr. *Mather.*] Where does it come in?

Mr. *Lloyd.*] It will follow Clause 33.

Chairman.] You hand in the rest of it now?

Mr. *Lloyd.*] Yes, Sir. (*The clause was handed in to the Committee.*)

Chairman.] Do the promoters agree to that clause?

Mr. *Marshall.*] Yes.

Mr. *Pember.*] There is a question I am told which was half fought out yesterday with regard to a clause which we proposed to substitute for Clause 42 of the Bill. If you remember at the end of it there was an exception which I will read, which you said you would not have on the ground that it was too wide, and on looking at it I am bound to say personally, if my opinion is worth anything, I think it was too wide. It was to this effect: "Except as provided by this Act, no action or other proceeding shall be commenced or taken for or in respect of any damage or injury caused by the pumping or raising of brine arising within any compensation district."

Chairman.]

Chairman.] Yes, we said we could not possibly admit that.

Mr. *Pember.*] Quite so. I may be wrongly informed, but I think you also hinted you were not adverse to considering, at all events, a clause which should not be open to the same objection. At all events, I venture to propose this to you by way of getting to an end of that piece of litigation. I would propose that the exception should run in this way, and see if this does not commend itself to you. "Except as provided by this Act, no action or other proceeding shall be commenced or taken for or in respect of any damage or injury" (then cut out all the rest of the words as it stood), and add, "for which compensation may be claimed under this Act." The result of that would be that we should not be liable to be shot at twice for the same things by persons who can claim under the Act. We should not be liable to be shot at at common law as well as under this Statute. I take it this Statute is proposed to remedy *casus omissus* at common law, and the remedy being given that a person is to get compensation, I take it that by parity of reasoning you do not intend (and really I need not add anything further) them to have a remedy under the common law and a remedy under the Statute, too.

Chairman.] No.

Mr. *Pember.*] My learned friend who appears for the promoters, actuated no doubt as he is by a sense of fairness, will see that that is right.

Mr. *Marshall.*] I understood that that had been already dealt with by the Committee, and had been struck out.

Mr. *Pember.*] Here is what was said; and I do not know how you could have understood that:—"(Mr. *Kennedy*): Upon the last words, without attempting to go back upon any decision of the Committee, some words will have to be inserted somewhere to prevent persons who are entitled to compensation under this Act from going doubly. (*Chairman*): This is far too wide. (Mr. *Kennedy*): I agree. (*Chairman*): I think you might agree to a clause."

Chairman.] That certainly was the view I took from my recollection of it.

Mr. *Marshall.*] If that was the view you took, Sir, I have not a word to say, but you will remember Section 40 already has a similar provision, which will require dealing with in some way if the proposed clause is inserted; it would require to be struck, as, indeed, the promoters suggest it should be.

Mr. *Pember.*] Why should that be struck out? You might be acting outside your powers, or, again, you might be declining to act inside your powers, and I, on the one hand, who might be the victim if you acted outside your power, might like to go to the court, and some person who suffered from brine pumping might like to go to the court.

Mr. *Marshall.*] The clause now proposed covers the ground which is purported to be covered by Clause 40, because if it is now proposed to insert, that except as provided by this Act there should be no remedy, then it would be entirely unnecessary to say no action or proceeding of any kind should be taken.

Mr. *Pember.*] Why? The two things are not *in pari materia* at all.

Mr. *Marshall.*] Whatever may be the result of that point, what is proposed by the promoters is this: Some provision must be made by the Act for the purpose of enforcing the claims to compensation. Supposing that the boards are unwilling for some reason to give the compensation which they agree to give, then there must be some remedy and some remedy of a summary kind. The ordinary remedy would be by going to the high court for a writ of *mandamus*, and it is proposed to insert a clause to that effect, so that there may be no mistake. There is that remedy under the Bill. The clause proposed is this: "If any person entitled to any sum on account of any such compensation."

Mr. *Pember.*] That is another clause altogether, it has nothing to do with this.

Chairman.] I do not think it does affect this at all. This is simply to prevent a person bringing an action against any private individual by whom he is aggrieved. I am inclined to agree there should be some power against the board if they contumaciously refused, but that is a different question.

Mr. *Marshall.*] My desire was that both matters should be before the Committee at the same time.

Chairman.] I think the Committee agree that we ought to accept Mr. Pember's proposal.

Mr. *Pember.*] If you please, Sir.

Chairman.] The meaning of your clause simply is, that people aggrieved under this Act must proceed under this Act and not take any other steps.

Mr. *Pember.*] Quite so. Here they are having an enormous statutory boon conferred upon them by which they will get a remedy which they never would have got otherwise, if my view of the law is right. Now the position of things would be, unless my clause were accepted, that we should be left to be harried at common law besides their having an undoubted remedy against us under this statute. You surely cannot mean that, Sir?

Chairman.] No; I think that would be unfair.

Mr. *Pember.*] If my clause goes beyond that I will narrow it with pleasure, but it does not.

Chairman.] Do you not think it will be equally satisfactory if we say, "For which compensation has been claimed under this Act?" You see this difficulty will arise. There may be a case in which a man believes he has a common law remedy for some injury and he brings an action at common law against your clients, and they plead it is one which ought to have been brought under this Act, but they are not in any way injured by that.

Mr. *Pember.*] I think you are right, Sir.

Chairman.] "Which has been claimed" would prevent there being two claims.

Mr. *Pember.*] I think, Sir, with submission, that will do.

Mr. *Marshall.*] The only question that appears to the promoters is whether the word "claimed" ought not to be substituted by the word "recovered."

Chairman.] No; because if he has chosen to claim under the Act, and has failed, he should not have another claim.

Mr. *Marshall.*] Supposing in a small brine pumping district no compensation board had been formed, and it was found impracticable for reasons which you can understand to form one, then the question is whether it would not deprive a person entirely of the opportunity of recovering damages he might be entitled to.

Mr. *Pember.*] There could not be any such question arise because if there was no board to claim from he could not have claimed.

Chairman.] I do not think we could put "recovered," because in that case every man who did not recover might immediately proceed at common law.

Mr. *Pember.*] I think this, Sir, ought to go in too, that supposing a man recovers at common law he ought not to have a claim under this Act.

Chairman.] He could not, of course.

Mr. *Pember.*] I do not know that that is clear at all.

Chairman.] I think we can hardly provide for that. If any judge or jury would give him any compensation under the circumstances, I do not think any Committee could prevent them.

Mr. *Pember.*] Heaven knows what they might do. I am afraid I must say that is one of the things I am not satisfied about.

Chairman.] Then as to Clause 40. I quite agree you are entitled to some clause which enables a man to proceed against a board who refuse to hear his claim.

Mr. *Marshall.*] The clause is this: "If any person entitled to any sum on account of such compensation and costs as aforesaid, does not within three months after application to the board obtain payment of such sum," and so on.

Chairman.] You mean to strike out Clause 40 and put that in its place.

Mr. *Pember.*] Not that I am interested in it, but allow me to point out, if I may, as *amicus* for both parties, that the mandamus runs to order a rate. Now, what it ought to run to would be to order an inquiry, because an inquiry might show a man was not entitled to anything.

Mr. *Marshall.*] I have not made myself clear. The clause assumes and provides the inquiry has already been held. "If any person is entitled to any sum on account of such compensation and costs as aforesaid" he would not be entitled unless he had been awarded.

Mr. *Pember.*] He might be entitled from the moment damage was done, although he might not have made good his title.

Mr. *Marshall.*] "Does not within three months after application to the board obtain payment of such sum." That is to say, the sum to which he has been found entitled.

Mr. *Pember.*] If you say "found entitled," it will make it clear.

Chairman.] Is there any clause in this Bill to compel the board to hear a claim?

Mr. *Pember.*] It is not my affair, but I think my friend wants Clause 40. I am sure his clients must want it if they come to think of it.

Mr. *Marshall.*] I will alter it in these words.

Chairman.] It seems to me that if Clause 40 is left out it would allow the Board to refuse to hear any case or pay compensation.

Mr. *Pember.*] It is not my affair, Sir; I will not go outside my own province.

Chairman.] It seems to me under it. If the board refuse to do anything you cannot make them.

Mr. *Marshall.*] "If any person who has been awarded does not," and so forth, then he shall have his remedy by mandamus.

Chairman.] Is there any remedy under this Bill supposing the Board refuse to hear his case at all?

Mr. *Marshall.*] In the ordinary course it would be by mandamus. That shows the importance of striking out Clause 40, otherwise it might be said they had no remedy except this particular remedy.

Chairman.] Would it not meet the case if we struck out Clause 40, and left them open to the ordinary common law proceedings, and put nothing in. If we inserted nothing they would have their ordinary common law right.

Mr. *Marshall.*] Only, except as to levying the rate, it makes it clearer.

Mr. *Pember.*] You must have the second part of the clause, unless you want to be moved by *certiorari* into the bowels of the earth, or somewhere else.

Mr. *Marshall.*] These things are constantly being moved by *certiorari*.

Mr. *Pember.*] And you want to prevent that, do you not.

Mr. *Marshall.*] I do not think so.

Mr. *Gainsford Bruce.*] Supposing the first part of the clause is struck out with reference to mandamus, what do you say as to the second part with reference to *certiorari*?

Mr. *Marshall.*] We do not ask that it should be retained, but if the Committee think it ought to be retained we have no objection. It is said it is desirable that resolutions and so forth should not be removable by *certiorari*, but that would not suggest the ordinary remedy by *certiorari* if there

there is no jurisdiction apparent on the face of the proceedings.

Mr. *Gainsford Bruce.*] I suppose without this clause any resolution of the board might be removed by *certiorari* by reason of mere informality.

Mr. *Marshall.*] Then it might be retained for that reason.

Mr. *Gainsford Bruce.*] Cannot you trust the Queen's Bench not to interfere unreasonably? The only reason why I have a doubt about it is, that it is an uncommon clause, but I do not appreciate the value of it.

Mr. *Marshall.*] That is the view we take. I think if it were struck out no mischief would be done.

Chairman.] Then is it necessary to add anything. Does that not leave people to their ordinary remedy againgst the board?

Mr. *Marshall.*] I think not if the whole clause is struck out; then this would be substituted.

Mr. *Gainsford Bruce.*] Why do you want that if the whole clause is struck out? The Queen's Bench would then have jurisdiction to grant a mandamus whenever they thought the board was not performing its duty.

Mr. *Marshall.*] That would be so no doubt.

Chairman.] That is what I think. I think it would leave a man to his ordinary remedy, and make him safe, if we strike out Clause 40 and put nothing in.

Mr. *Pember.*] Will the Committee allow me to say a word or two on the subject of the reserve fund? The reserve fund is a very serious matter. At 3 *d.* for one year the tax would be 20,000 *l.* in the Cheshire district alone. If you multiply that by three it would amount to 60,000 *l.* Now I would venture to ask why should this compensation board alone, so far as I know, among all the rating corporations of the United Kingdom have the power of holding in reserve so large a sum of money belonging to the ratepayers, and of taking it out of their pockets before it is wanted?

Chairman.] We stopped in the middle of this clause last night, but the Committee were practically of opinion that one year's income is sufficient to hold.

Mr. *Pember.*] That, of course, makes a difference; but still would you mind my just protesting once more on principle against the thing?

Chairman.] The only thing is the Committee felt so strongly about that that they put in an addition to the clause to compel them to levy the full rate until they had one year's income in hand.

Mr. *Pember.*] Beyond the mere fact that I venture respectfully to protest I will not carry these any further, but I still do protest. Will you allow me to point out this one thing? As the clause stands now, if the Committee will look at lines 26 and 27 they will find the moment the aggregate sum which the board have got in the way of reserve fund drops below 20,000 *l.* they may levy the full rate again, because the provision is that the rate shall not in any case exceed a limit of 3 *d.* per 1,000 gallons of brine, and so long as the reserve fund exceeds the maximum sum of the rates leviable under the Act for one year no additional rate shall be levied. But if it is a farthing under the rate may be levied, and if any of the rate may be levied the whole may be. There is nothing to prevent them, in fact, doing that.

Chairman.] I think they would see the meaning of this Act was that they are expected to have one year's income in hand to meet exceptional cases.

Mr. *Pember.*] They might see it, but people should be tied up by legislation.

Mr. *Mather.*] What words do you suggest to make that clear?

Mr. *Pember.*] I do not like to tinker the clause myself, but will leave my friends to point out a remedy.

Chairman.] I do not see that a rating authority, constituted as this is, is likely to raise an unnecessary rate.

Mr. *Pember.*] Only one-third consists of brine pumpers, remember, Sir.

Chairman.] But they would surely cause considerable trouble if such a thing were attempted?

Mr. *Pember.*] I daresay. Flies on a wheel think they are called on to kick up a considerable dust, but they do not in any way assist the progress of the vehicle.

Chairman.] It is necessary that people should not be kept waiting for their money, but that they should get it as soon as possible.

Mr. *Pember.*] I am quite sure, Sir. You see that the moment it was under 20,000 *l.*, if it was 19,999 *l.*, they could immediately levy a 3 *d.* rate.

Chairman.] I do not think we ought to alter this. We are with you as regards the one year.

Mr. *Pember.*] Very well, Sir. Do not let it be supposed I am content with the clause simply because I made that suggestion. My learned friend Mr. Pembroke Stephens has informed me he is about to bring up a clause, the gist of which is that no person, after the passing of this Act, shall convey brine out of the locality without turning it into salt. I do not propose myself, on behalf of the Weaver Trustees, who are mere trustees, and therefore whose interests may be supposed, more or less, to be covered by that of the local authorities, to trouble you with evidence or with a speech. All I say is, that the Weaver Trustees, as the recipients of the tolls of the Weaver Navigation, and who are responsible for the maintenance of the Weaver Navigation which is an extremely important one, view with the greatest possible apprehension a renewal of attempts that have been made from time to time

to convey brine not turned into salt out of the county of Cheshire, and out of the brine districts of Cheshire, and even out of the county into Lancashire for the use of alkali works. They, therefore, cordially endorse the principle of such a clause, and must be taken to support it, with all the influence they may be supposed to carry on the present occasion. I may say the same as to the Salt Union also.

Chairman.] It is a fact that a Bill to that effect was thrown out last year, is it not?

Mr. *Pember.*] Yes, it was thrown out last year. I ought to tell you, Sir, perhaps that the surplus funds of the Weaver Trustees; that is to say, all the rates they receive over and above the expenditure on the navigation (which surplus has amounted at times to 15,000 *l.* or 16,000 *l.* a year, but the last year or two has not been quite so much, but still is a very important sum) all goes to lessening the rates of the county. The Weaver Trustees do not divide any money.

Chairman.] Yes, we know that.

Mr. *Pembroke Stephens.*] You will remember, Sir, that when the first witness was in the box I did not trouble you with very much further matter.

Chairman.] Where are we now? Have we finished the clauses.

Mr. *Marshall.*] There is the definition clause.

Chairman.] We must first settle the wording of this clause with regard to one year instead of three years. It should be "the maximum sum of the aggregate rate leviable under this Act for one year"; then strike out "for the time being," so that it reads "exceeds in amount the aggregate sum of maximum rate leviable under this Act in one year, no additional rate shall be levied under this section." Now comes the definition clause.

Mr. *Pembroke Stephens.*] That had better stand over because you may have a point arising on the wording of another clause.

Mr. *Marshall.*] I do not think there is any difference between us as to the definition of the words "brine pumper."

Chairman.] With regard to Clause 41 a question is raised that now we have a board established by a system of Provisional Order, do you think it right to leave the Local Government Board power to dissolve the board without adopting the same course.

Mr. *Gainsford Bruce.*] That is practically giving the Local Government Board power to repeal an Act of Parliament. I should suggest that the same provisions as are inserted in the earlier section with reference to the making of the Order should be inserted as to the repeal of the Order.

Mr. *G. A. R. FitzGerald.*] I think, Sir, it is perfectly right that the provision dissolving the district should be the same, and that this clause should be altered by inserting the word "Provisional" before the word "Order" in line 39.

Mr. *Pembroke Stephens.*] I am afraid the "Provisional Order" will follow the fate of all other Provisional Orders until confirmed by Act of Parliament; you want the words "confirmed by Act of Parliament."

Mr. *G. A. R. FitzGerald.*] The Bill is right as it stands, because by the new Clause "A." the Local Government Board may submit to Parliament for confirmation any Provisional Order made in pursuance of this Act, and any Provisional Order shall be of no force whatever until confirmed by Parliament.

Chairman.] Is there any objection to any of these definition clauses.

Mr. *G. A. R. FitzGerald.*] Not one that I am aware of; they are all common form.

Chairman.] "Brine pumper" is in writing, and you do not want to insert "may employ in the business," which are the words we have been talking about.

Mr. *G. A. R. FitzGerald.*] No, Sir.

Mr. *Pembroke Stephens.*] This is the clause to which my learned friend referred, 42a. This clause is, "notwithstanding anything herein contained no person shall, after the passing of this Act, convey any brine, or permit the same to be conveyed for a greater distance that three miles from the pumping station where it is pumped or raised, provided that where a compensation board shall be formed under this Act, such board may, by license under their seal, authorise and permit brine to be conveyed anywhere within such district, provided further, that without any such license the person for the time being owning the pipe now subsisting from Wincham, Marston, and Weston, extending to Weston Point in Cheshire, may convey through such pipe not more than 300,000,000 gallons of brine in any one year." Now that is the clause, and the importance of it will be at once obvious to the Committee. If you remember when the first witness was in the box, I raised the point with him at once, and referred in detail to the various Acts recited in the petition of the Northwich Local Board, in which clauses expressly forbidding the taking of brine out of the district had been authorised in successive Acts of the Legislature extending back to the year 1766. Those were the restrictions placed upon people coming for various purposes into the district and seeking statutory provisions. But the most important of all the declarations of Parliament (although one of course that will not be in any Act because the Bill failed) was that of last year, when a Bill was thrown out expressly on the ground that it proposed to take brine out of the district. Therefore you see you have a chain of decisions protecting the district, and still further protecting the district by the negative decision of last year.

Now I think the principle of this clause is one that commends itself to everybody, and is peculiarly appropriate to this Bill, because this being a Bill which deals with and recognises the salt industry of the district, it is the continuing declaration of Parliament that the source of that industry is not to be taken out of that district. Now the

the clause really concerns all three portions, the first part is one which limits the distance to which brine may be taken. Of course you must have some distance and the distance here has been fixed, with respect to what I am informed is the actual and usual distance to which brine is conveyed; that is to say, I do not think there is any case (except the one case in the exception) in which brine is dealt with practically at, certainly in most cases, not so far as three miles from the place where it is pumped. I am told two miles is the ordinary figure, but in order to be safe one has put three miles in as the declaration and the principle of the clause. But of course there may be in legislating on a matter of this kind exceptional circumstances, where the three-mile limit would operate harshly. Therefore accompanying that limit there is a power which enables those who are named by the constitution of the Committee declared to be the persons most impartial as between the various interests; that is to say, the compensation board, to give a license under their seal if they think fit for the carrying of the brine anywhere even within the ambit of their district which may be more than three miles. Therefore you see you have a limit of working corresponding to the normal and actual limit of work in the locality, with the power to extend that by the competent authority in cases where such extensions may be suitable; then, finally, we have to deal with one important exceptional case which exists. Under the old state of things in the district a pipe was carried by people, who no longer in the same form are there, from Wincham down to Weston. You will see on the map the track of the pipe indicated to Weston Point, which is on the edge of the Mersey.

Mr. *Mather.*] What distance is that?

Mr. *Pembroke Stephens.*] Eleven miles. But that is a wholly exceptional work carried out under circumstances created many years ago, and we venture to believe if it were attempted to be done in the present day the interest of everybody in the district would rise up against it. It never has been repeated anywhere else, and we venture to think it is never likely to be repeated. Nevertheless that was done in the old days. Therefore, of course, you recognise what exists within reasonable limits. Having established the general principle for giving the discretionary power where it is needed, we go on further to say that we do not ask that that clause should operate harshly as against the pipe; on the contrary, we respect that pipe where it exists. Then comes the question of what amount of user is to be made of that pipe, and we are informed that the utmost quantity which has ever been conveyed through that pipe hitherto has been something under a hundred million gallons.

Mr. *Mather.*] What is the size of the pipe?

Mr. *Pembroke Stephens.*] It is an 18-inch pipe. Of course it is obvious that you might pump the whole district dry if you have a very large pipe, still more if you renew or extend that pipe in any way. Therefore, what we have thought would be fair, and I believe, as far as I know, it commands the assent of everybody except one interest in the district, is this: my friend Mr. Pember has already stated for the Salt Union and the Weaver Trustees, that they are satisfied with it

Chairman.] Does not Weston Point belong to the Salt Union?

Mr. *Pembroke Stephens.*] Yes, it belongs to the Salt Union now by transfer. What we thought, and what the Salt Union agree as reasonable, was this: that if we take three times the amount that has ever been known to be used, or more than three times, that cannot be complained of as erring on the side of restriction, and therefore what we propose is, that without any license, without going to the compensation board or anything of the kind, the persons for the time being now owning the pipe may convey through such pipe not more than 300,000,000 gallons of brine in a year, the utmost which has ever been conveyed, as we are informed, from the first part of the history of the thing, having been 100,000,000 gallons.

Mr. *Story-Maskelyne.*] How are you going to tell how much is carried along that pipe?

Mr. *Pembroke Stephens.*] I presume that principle, if the Committee are pleased to adopt it, will have to be made operative by suitable returns. There are many ways in which that might be done, as any members of the Committee who have sat upon the Water Works Committees or anything of the kind will know.

Chairman.] How much can you carry through an 18-inch pipe?

Mr. *Mather.*] I was going to ask a question about the pressure, and whether at present the flow of brine through this pipe is by gravitation from raising brine merely to the level of the pipe and then letting it flow, or whether there is a stand-pipe carried up above the surface of the ground to a certain height to give pressure, to carry little or much, as they may require.

Mr. *Pembroke Stephens.*] I assume from what I have heard that it is by gravitation.

Mr. *Mather.*] But I wish to know whether the brine is simply lifted out of the bore-hole into the level of the pipe or whether it is carried up above the surface to a stand-pipe or a reservoir.

Mr. *Marshall.*] It is carried up to a stand-pipe, I believe.

Mr. *Mather.*] Exactly; and that pipe may go up any height and you may get your quantity increased immensely.

Mr. *Pembroke Stephens.*] No doubt just as if you tilted the pipe. You have, you see, to depend upon quantity in more ways than in this clause.

Chairman.] I do not think there will be any difficulty if you fix a quantity, in measuring that quantity. You will have first of all to raise your tax upon it, and will take care to do it for that purpose, and 300,000,000 gallons will give you 40,000 *l.* a year without anything else. You will, probably, want nothing more in the county of Cheshire.

Mr. *Leake.*] May I ask if this brine is manufactured at Weston Point?

Mr. *Pembroke Stephens.*] It is utilised distinctly.

Mr. *Leake.*] In Cheshire?

Mr. *Pembroke Stephens.*] Yes, Sir, so I am informed, to the extent of 80,000 tons of salt, which would be 80,000,000 gallons of brine.

Mr. *Leake.*] But the whole of the product is utilised in the county of Cheshire; that is to say, is manufactured there.

Mr. *Pembroke Stephens.*] I am so informed. We can, of course, if you desire to have it, hand in the precedents contained in the former Acts of Parliament; but, of course, the main precedent I rely upon is the latest and most recent decision of Parliament last year. I think you will find, Sir, that this clause, subject to any minor criticisms which there may be upon it, commands the assent of all large interests in the district, or nearly all the large interests in the district, including the Salt Union.

Mr. *Gainsford Bruce.*] I understand the decision last year was upon an attempt to repeal the clause in the West Cheshire Railways Act, 1861.

Mr. *Pembroke Stephens.*] No, the clause last year was a distinct proposal in terms, to take the brine out of the district for the purpose of manufacturing at Widnes. It was a Widnes Brine Bill. It was not a proposal by any of the people who had the restrictive clause in their Acts to repeal that clause. That had been tried before. The London and North Western Company had tried that, but that had been decided against them. It was quite clear Parliament would not loosen its grasp upon those companies, but last year there was an attempt made by independent people, who are not subject to legislation, to raise the question of taking it out of the district, and Parliament said No.

Chairman.] I suppose at present anybody who could get a right to lay their pipes without going to Parliament could take the brine away without further interference.

Mr. *Pembroke Stephens.*] If they could get across the land of every intervening landowner, or along the road of every intervening authority, of course it is conceivable it might be done.

Chairman.] I only mean it would not be necessary, if a person were in a position to carry his pipe, to apply to Parliament. The only reason they apply to Parliament is to get the right to carry the pipe compulsorily.

Mr. *Pembroke Stephens.*] That is so; but as you see that only carries them a short way.

Chairman.] A railway 20 miles long I have known has been made without going to Parliament.

Mr. *Pembroke Stephens.*] Under the Railway Facilities Act?

Chairman.] No; I think by buying up land. It is a railway from Appledore down to Dungeness, perhaps not 20 miles long, but that was made without any Act of Parliament by private individuals.

Mr. *Pembroke Stephens.*] It is very likely that was done on the land of one landowner.

Chairman.] However, we need not go on with this discussion; it only shows there is a necessity for checking it, because if they came to Parliament I should object to putting a clause into any Bill, simply saying, "we advise Parliament in future not to do this," because Parliament could over-ride any clause we put into this Bill, but, if it is to prevent private individuals doing it without coming to Parliament, well and good.

Mr. *Freeman.*] That was done in the case of the pipe which is referred to in the very clause before you. That was laid on the land of private owners, and therefore no consents and Act of Parliament had to be obtained, and the company which at that time laid the pipe was able to do without it. Therefore the Winsford Local Board are exceedingly anxious in every way in their power to support this clause, because while it will protect them against any surreptitious taking of the brine out of the district, and will express the view of this Committee on that important point, it will at the same time preserve justice to the Salt Union. Now one word as to the pipe. It was laid in 1880 by the Mersey Salt and Brine Company upon private land, and it was stated in the prospectus of the company that the main would pass allowing 10 feet of friction per mile, over 3,000,000 gallons in 24 hours, or one and a-half million gallons in 12 hours. Therefore you see that the restriction which is being put on the use of that pipe by the Salt Union at the present time is a very great restriction on the powers which they had on the original capacity of the pipe, and we therefore think it is doing absolute justice to the Salt Union whom we have no desire to act hostilely to or cripple in any shape or form. The Salt Union are the only persons interested in that pipe.

Mr. *Kennedy.*] That is not so.

Mr. *Freeman.*] The pipe belongs to them, and they are the only persons who take brine through it for the purpose of manufacture. Messrs. Brunner, Mond and Company, I believe, have a right under certain circumstances to demand a certain amount of brine through that pipe, but they do not use brine coming through the pipe. Now, therefore everybody concerned in the district who has a practical interest in it is quite content that this clause should pass. If Messrs. Brunner, Mond and Company allege they might still require at some future time to exercise any powers under their rights as to this pipe, the restriction which is placed upon it is so ample that it will still leave a considerable margin for them.

Mr. *Kennedy.*] I should like to lay before the Committee the reasons why, on behalf of Messrs. Brunner Mond after giving as favourable consideration to this matter as they fairly can, I ask you not to pass the clause as it stands. We have our own clause here which we suggest and which we think is fairer both on grounds of general

general policy and also sufficiently carries out what one may call the public object of the proposed amendment. We agree, if I may say so respectfully, with the proposition that is contained in the first portion of the clause, although of course it is a restriction on the brine pumpers, but our proposition is that the words would better run, "no person shall after the passing of this Act convey any brine or authorise, or permit the same to be conveyed to any greater distance then three miles from the pumping station from which such brine is pumped." That I think is essentially the same as their clause, and so far we are agreed. But in so agreeing I ought to point out in our judgment the illogical and unreasonable use of any argument to be drawn from last year's Bill which has been maintained in regard to the clause, because the objection last year to the Bill for Widnes was that you were taking it outside the county. With that we have nothing to do. Weston Point, as has been already elicited, is within the county, and therefore any restriction cannot have much relation, so to speak, to what was done last year, because that was an objection on totally different grounds—namely, taking it away under the Mersey outside the county altogether. Now comes our first difference: "Provided that the Local Government Board may authorise brine to be conveyed anywhere within the district of the compensation board." I need not dwell on our reason for that. I think it is a just one, if I may say so. Clearly if the compensation board here is composed of parties who are to have various interests, it is very much better that in something which shall affect the district of that board you should have the central authority of the Local Government Board to grant a license where the license is as to the question of what might be called public policy. It ought not surely to be a matter on which some persons interested should canvass the compensation board of their district as to for and against a matter that affects the private interest of an applicant. If it is a question as is put by my learned friends of public policy, surely the license, if there is to be one, should be granted by a wholly independent authority, who cannot be approached except on public grounds. The members of the Committee know far better than I do that in questions of this sort, to have private interests canvassed about, if it is a question of public policy, is a matter which is objectionable in itself, and I cannot suppose my friends will object to the substitution of the Local Government Board for the compensation board. Of course the Local Government Board would be able to take their own line upon it and learn the views of the compensation board. But the last point is the most important of all. We hope that the Committee will act on the general rule fully. My friends fairly admit that here there is an existing property with existing contracts, but they propose to interfere with those contracts by taking a figure of restriction of 300,000,000 gallons of brine. That is distinctly interfering with the contract and property that exist. We say that whatever you do for the future there should be no interference with the contractual rights which already exist in a valuable property. My friend cannot know Messrs. Brunner Mond's position as I know it, and therefore he has stated, not quite accurately, that the only people interested in the pipe were the Salt Union. He had not before him what I know, namely, that it is the subject of contract for no less than a term of 50 years, forming part of the arrangements between Messrs. Brunner Mond and the Salt Union.

Chairman.] What are Messrs. Brunner Mond entitled to for 50 years?

Mr. *Kennedy.*] They are entitled to certain rights to have brine run through this pipe.

Chairman.] To what amount?

Mr. *Kennedy.*] I do not think there is any amount. It has unlimited amount.

Mr. *Mather.*] Are you objecting to the limits now?

Mr. *Kennedy.*] Yes, Sir, and I will tell you what we propose to do, and I think it is reasonable. On the one hand, we do not want to have our contracts interfered with, which we have already got permanently. On the other hand, I quite agree we are to use those contracts —

Chairman.] You say it is unlimited. There is a limit to the capacity of the pipe, and you must be entitled to some proportion of it. There must be some proportion between you and the Salt Union, because otherwise Brunner Mond might take the whole capacity of the pipe and leave the Salt Union nothing. There must be an arrangement of some kind.

Mr. *Kennedy.*] What we propose is this ——

Chairman.] I want to know what the contract is and exactly what they are entitled to.

Mr. *Kennedy.*] I will read the clause if I may, and that will put the Committee in the same position as I am in myself. It is the 27th clause of their contract: "If at any time during the term of fifty years from Christmas 1881, and so long after the expiration of such fifty years as the Salt Union, under any existing or future leases, licences, wayleaves, and other rights may be able to transfer brine to Weston" (that is this pipe in question) "and whether this agreement shall have been determined in other respects or not the Salt Union shall be unable to supply the full requirements of brine to Brunner Mond at Weston, Brunner Mond shall be entitled to deliver brine provided by them from their own resources, to meet their own requirements at Weston by such forcing stations, reservoirs, or pipes, or other apparatus of the Salt Union as may be most convenient for transmitting the brine to Weston, and for this purpose Brunner Mond may connect their pipes on their land with such forcing stations, reservoirs, pipes, and other apparatus of the Salt Union, and the Salt Union will receive such brine to be measured by metre to be provided by this agreement," &c. (*The learned Counsel read the clause of the contract.*)

Chairman.] It seems to me that Messrs. Brunner Mond are in this delightful position, that if we limit the Salt Union, they may take the whole of the brine themselves, and strike the Salt

Union out of the use of their own pipe. It seems to me Brunner Mond have the power of taking the whole of this 300,000,000 gallons and leave the Salt Union nothing.

Mr. *Kennedy.*] I have only just seen this contract myself, but what I understand is this: Under this clause the brine which is to go is brine of our own.

Chairman.] Yes; but do you not see what it comes to is this, that Messrs. Brunner Mond not being in any way prevented (it is like running powers on a railway), are entitled to run their brine through this pipe, and are not limited in any way. Therefore, if this Committee in any way limit the quantity, they may take the whole quantity, and the Salt Union must take it for them, and they may get the whole advantage of the manufacture down there, and leave the Salt Union nothing. I do not know why they should complain: they seem to me to have a splendid opportunity of competing with the Salt Union.

Mr. *Kennedy.*] I hoped, perhaps, it would not be necessary to go into it, but this is part of a complete arrangement by which the Salt Union have bound themselves, of course, for good consideration, to supply us, practically, with brine as we require it.

Mr. *Mather.*] In any quantity?

Mr. *Kennedy.*] No, not in any quantity, Sir.

Mr. *Mather*] What is the quantity?

Mr. *Kennedy.*] I is after supplying their own wants.

Mr. *Freeman.*] It is, practically, 25 per cent.

Mr. *Lloyd.*] May I say on behalf of the Salt Union there is no such difficulty. My friend cannot take all our brine. We have the first call.

Mr. *Mather.*] It appears to me between the two of you if the 18-inch pipe will convey it, the whole of the brine may be conveyed by that pipe. You can put down pipes to make that pipe available to carry the entire quantity of brine Cheshire can give.

Mr. *Kennedy.*] The Salt Union are of course entitled to provide for themselves.

Chairman.] I do not think so. If people put down a pipe and contract to take as much as other people choose to send by that pipe, they are bound to carry out their contract.

Mr. *Kennedy.*] But there are other parts of this contract. I have read the section with regard to this pipe, but it is only supplementary to the general provisions, by which they have agreed to supply us with brine, subject of course to their own requirements.

Mr. *Leake.*] Of course, subject to those. They reserve a pre-emption of the use of the pipe, and after that they contract to deliver to Brunner, Mond and Company.

Mr. *Kennedy.*] Yes.

Mr. *Mather.*] You are arguing now for Messrs. Brunner, Mond and Company on the basis of an unlimited quantity; no definite quantity, as the promoters of this clause desire, but an unlimited quantity.

Mr. *Kennedy.*] It would seriously interfere with this contract if we once get to a limitation of quantity, and therefore what we suggest to the Committee as fair, and also protecting the district, are these words: "Provided also that nothing in this section contained shall affect any existing rights with respect to the conveyance of brine through the pipe now subsisting from Wincham to Weston" (that is this pipe in question) "in the county of Chester." These are the words we would submit to the Committee: "Save that the diameter or capacity of such pipe shall not be increased."

Chairman.] It is quite impossible to assent to such a thing as that, because that, practically, is giving the whole of the salt of Cheshire to Brannar, Mond and Company and the Salt Union; because they might put their works down all the way and carry the whole of the brine, and no one else would be able to do it. I do not say which the Committee will do, but they must either limit the quantity to be taken by these two great firms, or leave it open to everybody to do the same.

Mr. *Kennedy.*] Then I should submit, it is clearly a case in which the Committee would not lay down an arbitrary rule.

Chairman.] You would rather it was left open to everybody to do as they like.

Mr. *Kennedy.*] Certainly, within the county. This is not a question of Widnes taking it outside the county, as long as it is within the county. I should say free trade was probably the right thing, because within the county the district can always be protected. If for example when the question comes as to taking an area or a district, it would be one of the important considerations that pipes might be laid three miles off Then in forming the district you would take care to include the largest area, which would be the area to the extremities of which the pipes could be carried. That is no injury to the inhabitants at all, because as long as it is within the district the brine is taxed, and it does not matter a bit to A, B, C, or D, where it goes, but it is an important thing where you have these contracts with regard to this pipe which we had rights over before the Salt Union came in and took over those rights, and as to which since then we have this 50 years' contract involving a number of other considerations. I should ask certainly if it is a choice of interfering or not interfering with existing contracts, the Committee to take a broad view and say as long as it is within the county they will certainly not interfere with existing rights, or attempt arbitrarily to say "you shall only carry so many million gallons by such and such a pipe." It would be inflicting a loss without any compensation, altering a contract, and that too without any injury being done as long as the district in which the pipes are is a district which can be formed, a salt district under the Committee's decision.

Mr. *Freeman.*] Would my friend tell the Committee if it is the fact, as I am told, that Messrs. Brunner,

Brunner, Mond and Company do not take a drop of brine through the pipe, have not a single work by which they could utilise it, or a bit of land on which they could build works.

Mr. *Kennedy.*] Whether we work it or not is a question one cannot go into without going into the policy of these two great concerns. All we know is, we consider it a very important thing to have an interest in these pipes.

Mr. *Freeman.*] I am correct at present, am I not? You do not use it.

Mr. *Lloyd.*] May I say, on behalf of the Salt Union, that we have carefully considered this question, and I venture further to say this, that we are content with the clause brought up.

Mr. *Marshall.*] The promoters are desirous to give cordial support to the clause in one form or other. They regret any difficulty should have arisen between those who have a direct interest in the matter, but they trust in any event the clause will, in one form or other, be carried, because if not invested in the Bill, there is nothing to prevent brine being taken, not merely out of the compensation district, but out of the county altogether.

Mr. *Freeman.*] Might I point out this in reply to my friend Mr. Kennedy. My friend puts it as an alternative that the Committee should leave free trade everywhere in the Cheshire district. Nothing more serious than that proposition can be imagined in the interests of various towns and bodies which have for years grown up with reference to works established for this purpose. If such a clause was inserted, it would, without the smallest exaggeration, mean ruin to Northwich and Winsford and the Weaver trustees, who, on the strength of the works put there, and upon the steady tendency of Parliament to resist brine being removed, have up to the present time spent all their money to utilise it.

Mr. *Gainsford Bruce.*] With refcrence to what you say about the decision of Parliament, so far as I can find out in looking through the Acts, the provisions are these: They are Acts giving compulsory powers to bodies to acquire land. The Acts seem to provide that the particular lands required for compulsory powers should not be used for the purpose of conveying brine; that is all. I do not think there is more than that.

Mr. *Freeman.*] Rather more than that, Sir. For instance, the North-Western Railway came with a clause which said that they should not be allowed along their own railway to lay a pipe for carrying brine out of the district.

Mr. *Gainsford Bruce.*] That is on land they had acquired by compulsory powers.

Mr. *Freeman.*] For the purposes of their railway.

Mr. *Gainsford Bruce.*] Exactly; they come to Parliament to get land for the purposes of a railway, and Parliament said, "You shall not use that land for the purposes of brine," that is all.

Mr. *Freeman.*] Last year the people of Widnes said, "We want to take the brine in a pipe across the river, and take it into Lancashire." Parliament said, "You shall not be entitled to carry a pipe through the district and take the brine out of that district on the opposition of people interested in the district.

Mr. *Story-Maskelyne.*] I presume as far as the public are concerned you will make the products obtained from salt a little dearer to the public with a view of protecting the interests of Winsford and Northwich and other towns. Is not that so?

Mr. *Freeman.*] I do not think so, Sir.

Chairman.] I think it is quite clear. What is the use of taking it away in pipes, except you can do it cheaper at the seaside?

Mr. *Freeman.*] I should like to point this one fact out, that amongst the other persons who sealed the petition against the Widnes Brine Bill last year were the firm of Brunner, Mond and Company.

Mr *Kennedy.*] Certainly.

Mr. *Mather.*] May I ask, Mr. Kennedy, whether your statement connected with the case of Messrs. Brunner Mond is not inconsistent with what I understood you to say was the admission of Brunner Mond, that it was desirable that there should be no brine conveyed at a greater distance than three miles from a pumping station. I understood you to say that that part of this clause you agreed with.

Mr. *Kennedy.*] We do not object to that.

Mr. *Mather.*] Then if you do not object to that, do not you see the inconsistency of urging the Committee to accept your amendment to the latter part of the clause, inasmuch as it seems to involve the possibility of taking the whole of the brine of the district down to Weston. The whole of the brine of the district might be taken by that pipe to Weston.

Mr. *Kennedy.*] The position of Brunner, Mond and Company, I venture to say, is not inconsistent. What they say is this: "We should not have brought forward this clause." If for the future the Committee think it is better to have such a restrictive clause, we shall not interfere, and we have been trying to meet them on this. All we are now dealing with is this. With regard to our existing right we do object to a limitation which will leave, no doubt, the Salt Union a large quantity of brine to pump down to satisfy their needs, but deprives us of the benefit of the contract Of course it does not matter to them. With regard to what is existing, we say it does not touch the contract.

Chairman.] You have rights to have a certain quantity of brine run through this pipe. They are now running a hundred million gallons a year through it, and this Bill proposes to allow them to run three hundred million gallons. Do you mean to say that is not going to leave you an ample margin for your contract to be carried out?

Mr. *Kennedy.*] If they use the whole of this, which they are entitled to do, we do not get a drop. We are entitled, as the contract stands,

to the benefit of the pipe after their uses are fulfilled. It does not matter to them. They may consider themselves safeguarded, but they would have the right to take the whole of this, and with this limitation we should get nothing.

Mr. *Freeman.*] No; look at your contract.

Chairman.] This is rather an important question, and I think if the room could be cleared, the Committee could consult upon this general question, to see whether if the Committee decide (I do not say which way they will decide to admit this clause), Messrs. Brunner, Mond and Company might have reserved to them a certain portion of that pipe to compensate them for the interference with their contract. Of course, it is a very great free trade question, which the Committee cannot decide without considering.

Mr. *Lyell.*] I should like to ask Mr. Kennedy whether he can bring forward any precedent for the action which he asks the Committee to take; any case in which Parliament has restricted a manufacturer to the locality or the immediate district where the raw material is produced, because that is what the proposal is.

Mr. *Kennedy.*] That is what the other side ask. I object to that. I am in favour of the freest possible trade.

Mr. *Leake.*] Except to Widnes.

Mr. *Kennedy.*] You cannot give your compensation which we are in favour of to the district, if you are taking the brine out of it.

Chairman.] Yes, you can, only they lose the trade of course. I think the best way now will be for the Committee to consider the general question, and while we are doing that, for you to see, if we do admit the question, whether the Salt Union and Brunner, Mond and Company cannot make a reasonable compromise as to the amount they should get.

Mr. *Pember.*] Might I make this suggestion in answer to the honourable Member. I think it is probably true no such precedents can be found, but then on the other hand I am perfectly certain no instances can be found which are on all-fours with this in two important particulars; first of all the raw material if taken out of Cheshire in the shape of brine is taken out without employing the population of Cheshire, and therein it differs materially and essentially from the getting of coal which employs a large local population, and secondly, you cannot find any other industry which, not employing the local population, does or is said to do (because I accept the principle of the Bill for this purpose) the amount of damage which this brine pumping is said to do.

Chairman.] And also you maintain Parliament has with respect to this particular industry already decided this question.

Mr. *Pember.*] Yes.

Mr. *Freeman.*] Also there is no other instance where one industry prevents any other industry coming into the country as this does, because no machinery can be erected or any buildings built for any other trade.

Mr. *Pember.*] I might add there are three railway companies prevented by their special Acts from taking brine in pipes along their embankments because Parliament felt and the Weaver Trustees and others interested at the time those railways were made, thought there would be a strong temptation for them to take the brine along their embankments.

Mr. *Freeman.*] Only one question of fact before we leave the room, with reference to what you said about Brunner, Mond and Company and the Salt Union, Sir. In the contract between those two at the present time Brunner, Mond and Company do get a third, whatever their restricted quantity is.

Mr. *Leake.*] Does Mr. Kennedy confirm that statement, that they do get a proportion?

Mr. *Kennedy.*] No, that is not our view of the contract.

Chairman.] I cannot help thinking that if we have four or five minutes' consultation over this question the Salt Union and Messrs. Brunner, Mond and Company will be able to come to terms.

Mr. *Marshall.*] By the Bill as it stands, only partial compensation will be given, because the sanitary authority and the gas and water companies will not to be entitled to any compensation whatever, and this is the only compensatiou which will be given to them for what they have suffered in the matter of subsidence.

The Committee-room was cleared.

After a short time Counsel and parties were again called in.

Chairman.] The Committee have discussed this question, and they have come to the conclusion that, looking at the preamble of the Bill, they have no power to insert any clause or consider this question at all. This Bill is a Bill to provide compensation for owners of property, caused by subsidence of ground caused by pumping of brine, and nothing else; and they have come to the conclusion that they have no power to consider any such clause.

Mr. *Freeman.*] I have now to bring up another clause upon a different matter altogether. I do not think the Committee will consider it at all outside the powers which they have under this Bill. It is a matter which there is no opposition to on anybody's side, and will save a great deal of trouble hereafter if the Committee will permit it to be inserted. You will remember it was stated in the evidence that some time ago Mr. Verdin, one of the members of the Salt Union, in a liberal spirit subscribed 20,000 *l.* to be accumulated for the very purpose dealt with in this Bill. A public fund being authorised under this Bill, there is no longer a need for that fund of Mr. Verdin's to continue for that purpose. Mr. Verdin has not the smallest desire to revoke his gift; but he desires, it having become useless for that purpose, to allocate it for another purpose. Therefore a clause has been drawn, the short effect of which is this—to dissolve the obligation to use that 20,000 *l.*, with its accumulations (now amounting to a sum of 27,388 *l.*), and to apply it for one or other of the purposes

purposes under the Technical Instruction Act, 1890, or the Museums and Gymnasium Act, 1891, or other local purpose. There is no objection to that from anybody concerned. I can call Mr. Verdin before the Committee if they desire to hear him.

Mr. *Lyell.*] Is not this outside the preamble of the Bill?

Mr. *Freeman.*] I do not know that it is, Sir, for the Bill is to provide compensation, and this is a result of compensation having been provided.

Chairman.] It is a most desirable object, but I do not see how the Committee can deal with it.

Mr. *Freeman.*] The Committee is omnipotent; there is nothing to restrict its powers. There was a case as to the provision of tolls for the city of Oxford, in which a provision was inserted that the Provost of St. Alban's might marry.

Chairman.] There is no opposition I presume.

Mr. *Freeman.*] None at all.

Chairman.] I think then the Committee will run the risk and put this clause in.

Mr. *Story-Maskelyne.*] Cannot you cut down the clause? You do not recite indentures generally in an Act of Parliament.

Mr. *Freeman.*] It is only the one clause.

Chairman.] Suppose this clause does not come into this Bill; what course would have to be adopted; would Mr. Verdin have to bring in a private Bill.

Mr. *Freeman.*] You mean if this had to be struck out of the Bill?

Chairman.] I mean to say if we do not adopt this course what would have to be done.

Mr. *Freeman.*] Application would have to be made to the Charity Commissioners and the courts, a great deal of expenditure and delay of time would have to be gone through for no possible benefit to anybody except the lawyers engaged in the case.

Mr. *Story-Maskelyne.*] Cannot we cut this down, because it is not very Parliamentary.

Mr. *Gainsford Bruce.*] I think it is rather difficult to cut it down, because you see we are going to alter the indenture. The indenture declares certain trusts, and then Parliament says although the indenture declares certain trusts we by law say that those trusts shall not be enforced.

Mr. *Leake.*] There would be very little expense in an unopposed application.

Mr. *Freeman.*] Yes, there is very considerable expense, Sir. I am afraid you have not had personal experience of an unopposed application of this character; at least I hope you have not.

Chairman.] It really does apply to the compensation fund, and there is one in existence, it slightly irregular, but it is germain to the subject, and I think we will admit it. It will come in before the definition clause.

Mr. *Kennedy.*] My clients, Messrs. Brunner, Mond and Company, are anxious I should mention this to the Committee. The Committee have stated that in their view as matters stand, they have no power to deal with the clause which was suggested and which the the Committee have considered. We venture respectfully to suggest that if it was the opinion of the Committee that the district should be protected by some such clause, supposing it to be open to them to come to that opinion, that the Bill might be re-committed and instructions given to the Committee which would enable them to consider that. We should not wish to be obstructive in any way, and we venture to submit that the Bill might be re-committed if the Committee with that view thought it a matter as to which the district should be dealt with.

Chairman.] There is one thing to be said. Of course with regard to this existing pipe (I do not know what the view of the Committee is on the whole about the clause) the only end of it would be there would be there would be no restriction. But I take it we may be sure now after attention has been called to it, that no new pipes will ever be laid down without coming to Parliament, because the local authorities will never give power to cross the roads, and no one will be able to lay a new pipe without coming to Parliament Therefore there is no great difficulty about that.

Mr. *Freeman.*] It might be laid without crossing a road.

Chairman.] Surely you cannot lay a pipe 12 miles and a-half long without crossing a road.

Mr. *Freeman.*] In this way they could: So long as they kept at such a depth under the road as not to interfere with the surface, which is vested in the public authority, there would be nothing in the world to prevent them coming into the land of private owners if they gave their consent. With this present pipe they went to such a depth that the local authorities could not say they interfered with property or drains, and they had no power to stop them.

Mr. *Mather.*] They could tunnel under.

Chairman.] I have been consulting the members of the Committee who are present, and I believe they would be disposed to deal with this question in some way if it was in their power to do so; therefore, if Mr. Brunner thinks proper to move an instruction to the Committee, that it be in their power to deal with this question, we would adjourn until Monday or Tuesday, and we could then meet and deal with this particular question, but we feel we have not any power to deal with it unless we have an instruction enabling us to do so.

Mr. *G. A. R. FitzGerald.*] The promoters would be very glad if that course were adopted, and it would have this incidental advantage also, that it would enable the promoters to go through the amendments which have been made with the Clerk of the Committee, who I think would be glad to have that opportunity, as the amendments are somewhat numerous.

Chairman.] If Mr. Brunner does not object to moving it by an instruction to the Committee to consider this question, we would adopt that course.

Mr. *Kennedy.*] I understand that course will be adopted, Sir.

Mr. *Pembroke Stephens.*] Then Mr. Brunner will be in the fortunate position of saying that his motion has the consent of all parties, which is not usual. I understand that the Committee have made a declaration to this effect, that they drew a distinction between what I may call the running line of the railway and the buildings and stations of the railway; the premises of the railway other than the running line.

Chairman.] No; it was where they owned property as private individuals; if they had a hotel or cottages occupied by men and distinct from the railway.

Mr. *Pembroke Stephens.*] Merely dealing with the matter from the same point of view, of course, may I say there are certain buildings which are necessarily in the hands of the local authorities. I mean such buildings, for instance, as police stations and offices.

Chairman.] But you see they are all rating authorities; they are private individuals; they come on the rates for all these buildings.

Mr. *Pembroke Stephens.*] I see, Sir, I was asked to mention that.

Chairman.] We thought it just possible the railway companies might have property simply as private individuals, and nothing to do with their rates and charges.

Mr. *Pembroke Stephens.*] If I might mention it, my other clients (the gas company) have, not being a rating authority, their buildings would be in the same category.

Chairman.] I do not know any buildings which a gas company has which are not in connection with its business.

Mr. *Pembroke Stephens.*] The manager's house would be.

Mr. *G. A. R. FitzGerald.*] I have now to propose a clause on behalf of the promoters. It is one providing for the costs of the Act. In cases of this description, where a body of gentlemen have subscribed or guaranteed a fund for the expenses of the promotion of an Act, in the event of an application to Parliament being successful, it is usual to provide that the board or other corporate body which has been established in pursuance of their application, shall repay them the sums they have actually expended in preparing and applying for the Act. In this case the facts are that landowners and residents in the county, people generally who have been sufferers from this subsidence in the county of Chester, have subscribed or guaranteed 1,250 *l.* The local board of Northwich subscribed or guaranteed 500 *l.* and the local board of Winsford 250 *l.* That is, 2,000 *l.* altogether. The clause which I bring up shortly, recites those facts and enacts that when a compensation district shall be formed, which includes the urban sanitary authority districts of Winsford and Northwich, the actual monies out of pocket of the subscribers to the guaranteed fund, including the local boards, shall be repaid out of the compensation fund.

Chairman.] Is that an unusual course?

Mr. *Mellor.*] On behalf of the local board of Winsford, I was going to propose a clause somewhat similar, but I think that meets it. We were going to suggest that the costs, charges, and expenses should be thrown on the rates.

Mr. *Lloyd.*] On behalf of the Salt Union I must object to this.

Mr. *Mellor.*] I may say, if this were a private Bill, quite irrespective of the promoters, the local authorities would be, under the Borough Funds Act, entitled to come and oppose it, or take any other part in it as affecting their constitution. When they had a meeting of the board this resolution was come to, that they would get up an independent guarantee because they had had a letter from the Local Government board pointing out this difficulty. The Local Government Board said that this being a public Bill as distinct from a private Bill there might be some difficulty as to whether the Borough Funds Act applied, and the consequence was they suggested that it should be done by subscription. Therefore inasmuch as it was a Bill of great importance as affecting Northwich and Winsford (and we have appeared more on behalf of those people who were not rich enough to defend themseves), and we considered our constitution attacked we ask for our costs.

Chairman.] Can you give us any precedent for that.

Mr. *Lloyd.*] I oppose this on behalf of the Salt Unian.

Mr. *G. A. R. FitzGerald.*] Let me answer the Chairman's question. I am afraid it is not a very satisfactory way of answering a question, but without being able to give you the name of any case I can speak positively of the fact of there being within my knowledge similar cases where promoters of private Bills have been repaid by an enactment in the Bill itself out of the fund belonging to the body being formed. I have here a precedent which is more applicable to this case. I dare say it will be in the recollection of some honourable Members that some eight or 10 years ago there were Bills before both Houses of Parliament for constituting conservancy districts for the conservancy of rivers and prevention of floods. In 1881 one of these Bills was referred to a Select Committee of the House of Commons. That Bill provided in terms very similar to that of this Bill, that on the application of the owners and occupiers within a district, a conservancy district might be formed. That was done by a Provisional Order. In our case we have come for a Bill, and the principle is the same. It never became an Act; but the Bill, which was a Government Bill, and which passed the Select Committee, provided "That the reasonable costs incurred by the promoters

moters of a Provisional Order under this Act for establishing a conservany board shall in the event of the Order being confirmed by Parliament" (which corresponds with our success in obtaining this Act) "be deemed expenses properly incurred for the purposes of this Act by the board." and it goes on "and in the event of the application being by a sanitary or conservancy authority and the Order be not confirmed, be deemed expenses properly incurred by that authority in the execution of their powers and duties." So that that went rather further; it provided that if a sanitary authority promote a Provisional Order even if unsuccessful they may charge their expenses on the rates. I hope there will be no opposition to this; it is a reasonable application.

Mr. *Lloyd.*] My friend says "reasonable." It is reasonable in this way: that the Salt Union will have practically to pay the whole of the costs.

Chairman.] And Messrs. Brunner, Mond and Company besides.

Mr. *Lloyd.*] Between us we should have to pay the costs of this application. Now, I do submit that those gentlemen who have brought forward this Bill have met with a certain amount of success, and they ought to be content with it. They have had local subscriptions; they are a large body. They of course have not come here unprepared, and they were no doubt provided with the contingency of the costs having to be paid, and it would be a little hard on us to order us to pay all the costs of this Bill. I should submit no clause should be inserted; or at the utmost, if a clause is inserted, it be a clause authorising payment out of the rates, and not out of the compensation fund. Even then we should be very large contributors, because we pay something like half the rates.

Mr. *Kennedy.*] Our view is, simply, that it should be paid out of the rates.

Mr. *G. A. R. FitzGerald.*] Might I remind the Committee of one thing, and one thing only, in reply. I understand that my friend who appears for Messrs. Brunner, Mond and Company says nothing on this question.

Mr. *Kennedy.*] I have said our view is that it should come out of the rate entirely.

Mr. *G. A. R. FitzGerald.*] Out of what rates? That is not possible. In reply to my learned friend Mr. Lloyd I would remind the Committee of this: up to the present time we have never had any compensation at all; and I must say it is a little ungracious on the part of a great commercial body like the Salt Union to refuse or throw any objection in the way of gentlemen who have put their hands into their pockets for the purpose of obtaining an Act of Parliament, for the purpose of resisting an admitted grievance, when the sum in question, so far as they are concerned, is such a very small one. It is important to us, though not to them.

Mr. *Mather.*] What is the sum?

Mr. *FitzGerald.*] Not exceeding 2,000 *l.* We ask to be recouped the monies actually expended by us, not exceeding the amount of our guarantee; and the guarantee is 1,250 *l.* on the part of individuals, 500 *l.* for Northwich, 250 *l.* for Winsford.

Mr. *Mellor.*] Might I say this with regard to these local authorities? In 1881 they appeared on this Bill, and spent 3,000 *l.*, not a penny of which they received. Of course we are not asking for that now, but I only wish to point that out.

Chairman.] The Committee are in favour of their being able to draw on the compensation fund to the extent of 1,000 *l.*, and pay the rest themselves, to be provided *pro ratâ* amongst the guarantors. We will alter your clause to that effect.

Mr. *G. A. A. FitzGerald.*] I will alter the clause in that way. I understand, Sir, you postpone the further consideration until Tuesday?

Chairman.] Yes.

Mr. *Mellor.*] Might I ask on behalf of the Northwich and Winsford Local Board if we may put our clause before the Committee? What we suggest is this: "That the respective costs, charges, and expenses of the local boards for the districts of Northwich and Winsford in relation to this Act should be respectively paid by and charged upon the rates and funds of the said boards respectively."

Chairman.] That we are agreed upon. You may insert also, that the local board should be able to charge it as a rate, and that the private individuals should be dealt with in the way we have mentioned.

Mr. *Mellor.*] If you please, Sir.

Tuesday, 28th April 1891.

MEMBERS PRESENT:

Mr. John Gathorne-Hardy.
Mr. Leake.
Mr. Lyell.
Mr. Story-Maskelyne.
Mr. Mather.

Mr. JOHN GATHORNE-HARDY, IN THE CHAIR.

Chairman.] THERE is nothing to do, I understand now, except to go through the Bill and see that the clauses are correct.

Mr. *Kennedy.*] When the proper time comes there are some words which we respectfully suggest, looking at the alterations which have been made, might advantageously be introduced into the preamble. After the decision which the Committee came to on that which will stand as Clause 42, which was on Clause E., excluding public authorities, I should suggest that the preamble would be misleading and liable to misconstruction from using the words "and other public and private property." I do not know why in the preamble they put "damage to dwelling-houses, buildings, bridges, and other private and public property," for as you now decide to exclude public property, it seems to me to be a mistake to retain those words, but that the general word "property" should be used.

Chairman.] I see what your objection to that is. I think it is better to strike out "private and public."

Mr. *Kennedy.*] So that it will read simply thus: "and the effect of those operations is in many cases to cause subsidence of land and damage to property."

Chairman.] I think it will look better to retain the words "dwelling-houses, buildings, bridges," and then say, "and other property." We have left out "public bridges." I do not know whether there is such a thing in the district as a private individual having a bridge.

Mr. *Kennedy.*] And if a private individual has a bridge it will be covered by "property." I should like to say that if you once begin enumerating, people will say, "you have enumerated A. and B., and therefore you cannot be supposed to have intended to include C."

Mr. *Story-Maskelyne.*] On the other hand one does not want to alter the preamble more than one can help. There is a good deal of feeling against altering a preamble.

Chairman.] I think it would be quite as satisfactory, and it would make it even larger to say, "subsidence of land and damage to property."

Mr. *Marshall.*] Only in that case it might be said to include personal property which nobody intends to compensate. All this is real property. I think your suggestion is better that it should stand, taking out simply the words "private and public." It certainly reads better.

Chairman.] It reads better undoubtedly, but then you know as well as I do that if an action is brought a man will say "dwelling-houses, buildings, bridges, and other property," cannot be intended to mean this particular property, otherwise it would have been in the clause.

Mr. *Marshall.*] It must be property *ejusdem generis.*

Mr. *Kennedy.*] I see what my friend means. Suppose the Committee left "land and damage to dwelling houses, buildings and other property;" that would meet his difficulty.

Chairman.] We will strike out "bridges."

Mr. *Marshall.*] Strike out "bridges and other private and public."

Chairman.] Yes.

Mr. *Kennedy.*] Then the only other suggestion, which I do not propose to do more than mention, is this: It did appear to us that it would be, looking at this being a new principle, which, through the Committee, Parliament is making, it might be wise, in the opinion of the Committee, that in the second clause of the preamble, after the words "and it is just and expedient that such provisions as this Act contains should be made," in order to show that it was not intended, so to speak, to levy a tax generally for every sort of damage——

Chairman.] It is quite clear from the Bill it is to be paid out of this 3 *d.* I do not think it is worth putting that in.

The Chairman was directed to report the Bill, as amended, to the House.

REPORT

FROM THE

SELECT COMMITTEE

ON

BRITISH AND FOREIGN SPIRITS;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

MINUTES OF EVIDENCE,

APPENDIX AND INDEX.

Ordered, by The House of Commons, *to be Printed,*
30 *April* 1891.

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210.

British and Foreign Spirits.

Ordered,—[*Thursday, 29th January* 1891]:—That a Select Committee be appointed to consider whether, on grounds of public health, it is desirable that certain classes of Spirits, British and Foreign, should be kept in bond for a definite period before they are allowed to pass into consumption, and to inquire into the system of blending British and Foreign Spirits in or out of bond, and into the propriety of applying the Sale of Food and Drugs Acts and the Merchandise Marks Act to the case of British and Foreign Spirits, and also into the sale of Ether as an intoxicant.

Committee nominated of—

Sir Lyon Playfair.	Mr. Flynn.
Mr. Somervell.	Colonel Hill.
Sir Henry Roscoe.	Mr. Hozier.
Mr. T. M. Healy.	Mr. M'Ewan.
Mr. Boord.	Mr. Jackson.
Sir Edward Harland.	

That the Committee have power to send for Persons, Papers, and Records.

That Five be the Quorum.

Ordered,—[*Wednesday, 4th February* 1891]: That the Minutes of Evidence taken before the Select Committee on British and Foreign Spirits in Session 1890 be referred to the Select Committee on British and Foreign Spirits.

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REPORT.

THE SELECT COMMITTEE appointed to consider whether, on grounds of public health, it is desirable that certain classes of SPIRITS, BRITISH and FOREIGN, should be kept in bond for a definite period before they are allowed to pass into consumption, and to inquire into the system of blending BRITISH and FOREIGN SPIRITS in or out of bond, and into the propriety of applying the SALE of FOODS and DRUGS ACTS and the MERCHANDISE MARKS ACT to the case of BRITISH and FOREIGN SPIRITS, and also into the Sale of ETHER as an intoxicant;——HAVE considered the matters to them referred, and have agreed to the following REPORT:—

THE reference made to your Committee is the following:—

> *Ordered*, That a Select Committee be appointed to consider whether, on grounds of public health, it is desirable that certain classes of spirits, British and Foreign, should be kept in bond for a definite period before they are allowed to pass into consumption, and to inquire into the system of blending British and Foreign Spirits in or out of bond, and into the propriety of applying the Sale of Food and Drugs Act and the Merchandise Marks Act to the case of British and Foreign Spirits and mixtures of British and Foreign Spirits, and also into the sale of Ether as an intoxicant.

Your Committee are instructed to limit their inquiries, in regard to the bonding and blending of spirits, to their effect on public health, and they are empowered to consider whether the Merchandise Marks Act and the Food and Drugs Act should be extended to spirits so as to enable the public to know the character, origin, and state of purity of the products offered for consumption, and to limit the sale when they are deleterious.

I.—PRODUCTION AND CONSUMPTION OF SPIRITS.

In the estimation of the production and consumption of spirits, it is usual to refer to them as being at "Proof Strength,"* which means nearly equal quantities of absolute alcohol and water. In the year ending 31st March 1890, the production of spirits in the United Kingdom amounted to 40,900,000 gallons, which are accounted for as follows: West, 23.

Passes into consumption	28,000,000 gallons.
Exportation	3,500,000 „
Used for methylation	1,500,000 „
Waste by evaporation, &c.	2,500,000 „
Medicinal purposes and tinctures	1,000,000 „
Put into bond	4,400,000 „

These are general figures which require some explanation. The 28 million gallons consumed includes the spirit which may be stored in cellars for future consumption, and also that which is sold to rectifiers and others for the purpose of making gin, fortifying wines, &c.

It may be useful to give a Table of home manufactured and imported spirits, showing the amount consumed per head of the population in recent years.

Note.—Proof spirit must weigh at a temperature of 51° Fahr., 12-13ths of an equal measure of distilled water (48 Geo. III. c. 28) (1808). It therefore contains 49·3 per cent. by weight, and 57·09 per cent. by volume of absolute alcohol.

STATEMENT showing the Total Quantities of British, Foreign, and Colonial Spirits retained for Home Consumption, and the Quantity consumed per Head of Population.

Year ended 31st December	Population (corrected).	Consumption of				Gallons per Head of Spirits of all kinds.
		British Spirits.		Foreign and Colonial Spirits.*		
		Gallons.	Gallons per Head.	Gallons.	Gallons per Head.	
1852 - -	27,448,257	25,200,879	·918	4,866,259	·177	1·095
1862 - -	29,243,610	18,836,187	·644	5,181,245	·177	·821
1872 - -	31,874,183	26,872,183	·843	9,047,206	·283	1·126
1882 - -	35,297,114	28,554,264	·809	8,314,283	·235	1·044
1885 - -	36,331,119	26,609,488	·732	7,906,275	·217	·949
1886 - -	36,709,409	25,954,251	·707	8,170,656	·222	·929
1887 - -	37,091,564	25,969,776	·700	7,604,567	·205	·905
1888 - -	37,453,574	25,963,593	·693	8,174,592	·218	·911
1889 - -	37,808,892	27,183,351	·719	8,607,845	·217	·946
1890 - -	38,227,321	29,410,431	·769	8,964,206	·234	1·003

The amount of spirits consumed in England, Scotland, and Ireland per head of the population shows considerable variations. In England the consumption per head is a little above half a gallon annually, in Scotland it is one-and-a-half gallons; and in Ireland one gallon.

West, 28.

The nature and character of the spirits made in the United Kingdom are described in another section of the Report. So it may be sufficient at present to give the quantities of spirits imported into the country under the Customs.

Murray, 558

The total quantity imported in 1890 was 10,578,729 gallons, consisting of:—

Brandy - - - - - - - -	2,858,774
Rum - - - - - - - -	4,087,089
Geneva - - - - - - - -	304,493
German spirit - - - - - - -	3,199,470
Other spirits - - - - - - -	129

II.—DISTILLATION OF SPIRITS.

Spirits differ from wines by being obtained through distillation of the fermented liquids. The stills are of three kinds:—

West, 9. 11.
Bell, 3481.
Swan, 2517–2520.

(1.) *Pot-stills* to which fire is applied during the distillation of the fermented liquid called "wash."

(2.) *Pot-stills* heated either by fire or steam, used in this country for rectifying spirits; and abroad, by steam only, for the direct distillation of the fermented liquid.

(3.) *Patent stills* in which a continuous sub-divided stream of the wash is brought into actual contact with steam.

A.—*Pot-Stills.*

Whiskey is still chiefly made in pot-stills by the application of the heat of a fire to the fermented liquid. Of the 28 million gallons produced and consumed as a beverage, 16 millions are made in pot-stills. The evidence given by pot-still distillers is that only malt or malt and grain are used in the manufacture. There are 115 distilleries using malt alone, 42 using malt and mixed grain, five using in addition to malt and grain

Molyneux, 345. 357.
Molyneux, 228.

* This Table is corrected by substracting the Methylated Spirits from the Foreign and Colonial Spirits, as given in question 30.

grain sugar and molasses, and four in which rice also is used. In 1889 the materials used throughout the country consisted of:—

Malted barley - - - - - -	907,971 quarters.
Unmalted grain - - - - - -	1,055,222 „
Sugar - - - - - - - -	31,152 cwt.
Molasses - - - - - - -	211,464 „
Rice - - - - - - - -	57,721 „
Jawarre - - - - - - -	8,898 „

The whiskey obtained from pot-stills contains more of the substances which give taste and aroma to the beverage, as well as more of those compounds that are to be mellowed or removed by ageing, than the spirits obtained from patent stills (*see* Section IV). In pot-stills all the bye-products referred to are kept and incorporated in the spirits, while from the patent still spirits they are, to a large extent, removed. This fact explains to some extent the difference in spirits obtained from the same material. The Inland Revenue is in possession of information showing the materials used in each distillery, but the Department deprecated the idea of publishing the ingredients employed by particular manufacturers on the ground that this would lead to the disclosure of trade secrets, and your Committee therefore decided not to press for the information.

Wilson, 3420 ?

Bell, 3486.

B.—*Patent Stills.*

In this process of distillation a mixture of malt and grain is fermented, the proportions varying from 15 to 34 per cent. of malt. About 25,000,000 gallons are made in these stills, of which about 6,000,000 are sent to the rectifiers, about 6,628,000 gallons are used as whiskey, chiefly for blending, and the rest for various purposes in the arts, and not used as a beverage. In addition to the 25,000,000 gallons of patent spirits produced in this country, about 3,200,000 gallons are imported under the name of "German Spirits," although the bulk is supposed to come from Russia. Except a small quantity of impure spirits used for methylation, the foreign spirits are of the same or even superior alcoholic purity to the patent spirits produced in this country. The foreign silent spirit cannot be mixed in bond with British spirits, though it is believed to be used for blending when duty-paid, but not to any great extent.

Drysdale, 2217.
Barr, 2641.
Currie, 2890.
Molyneux, 348, 349, and App., page 78.
West, 19.

Williams, 671, 678, 684.
Swan, 2528, 2535.
Williams, 688, 690.
Samuel, 1278–1281.
Williams, 692.

C.—*Rectification of Spirits.*

About 6,000,000 gallons of the patent spirits made in this country, and an unknown quantity of foreign spirits of the same kind, is distilled by rectifiers to remove the small per centage of fusel oil and bye-products which they contain, in order that the purified spirit may be converted into gin and other beverages. The basis of these is nearly pure alcohol, to which is added appropriate flavouring materials.

Druce, 3389–3411.
West, 23.
Bell, 901–907.

III.—Definition and Classification of Spirits.

There is no exact legal definition of spirits going by popular names, such as whiskey, brandy, rum, patent or silent spirits. Some witnesses desired to define whiskey as the spirit made in pot-stills, and would deny that name to spirits made in patent stills, even though the proportions of malt and grain used in the production might be the same in both. Some of the distillers from malt desired that their whiskey should be called "malt whiskey," though the general name "whiskey" might be extended to those who mix malt with grain. On the other hand, certain distillers in Belfast and Scotland urged that spirits distilled in patent stills from malt and grain were entitled to be considered as whiskey; that they are used sometimes as such directly, and are now largely employed in blending pot-still whiskey. They gave evidence that there was increased demand for whiskey of a milder kind, and that blends of pot-still and patent still whiskey were in large demand by the consumers, who thus obtained a cheaper and a milder whiskey containing a smaller quantity of fusel oil and other bye-products.

West, 41–48.
Allen, 1822–1825.
Swan, 2554–2566.
Malone, 2418.
Ross, 2107.

Drysdale, 2206.
Barr, 2653.

Greenlees, 2934.
Drysdale, 2207.
Dunlop, 2376.
Barr, 2653–2656, 2677–2680.
Bell, 1225–1229.

Your Committee do not attempt a legal definition of whiskey. They would refer to the evidence of Dr. Pavy for a general and useful definition of spirits of various kinds, but this is too general for a legal definition. Whiskey is certainly a spirit consisting of alcohol and water, with a small quantity of bye-products coming from malt or grain, which give to it a peculiar taste and aroma. It may be diluted with a certain quantity of water without ceasing to be whiskey, and it may be diluted with spirits containing little of the bye-products to suit the pocket and palate of customers, and it still goes by the popular name of whiskey. Your Committee are unable to restrict the use of the name as long as the spirits added are pure and contain no noxious ingredients.

Pavy, 3707 *et seq.*

Bell, 863–874. 1209–1212.

Murray, 581–602. Lubbock, 3306 *et seq.* Williams, 664 *et seq.* Samuel, 1483–1488.

In regard to other spirits the same difficulty exists as to definition. Foreign brandy consists of dilute alcohol flavoured with the bye-products of the grape; but British brandy is an imitation without these bye-products, and is made from a silent spirit. Rum is a spirit coming from cane-growing countries, and consists of dilute alcohol flavoured with the bye-products of the cane sugar or molasses, but continental rum in imitation of it is imported from abroad, and often contains no bye-products of molasses, being flavoured with fragrant ethers to represent them. Your Committee will deal with these imitations in a future section.

IV.—Character and Purity of Spirits.

It has already been explained that all spirits contain as their basis water and alcohol, the latter being what is termed "ethylic alcohol." Their character depends on the presence, in greater or lesser quantity, of alcohols comprised under the general term of fusel oil, which consists of alcohols higher in the chemical series termed propylic, butylic, amylic, and other alcohols, in addition to small quantities of ethereal bodies and empyreumatic compounds. These vary according to the nature of the fermented wort, being distinctive in their nature when derived from grapes, molasses, malt, or a mixture of malt and grain and other materials. In all cases where the spirits are used for potable purposes they are small in quantity, and do not differ much in percentage, whether they are of British or foreign origin. Thus a wine-glass full of spirit at proof

Bell, 859.

contains about a thousand grains, and it is rare to find commercial spirits which contain more than from one to two grains of bye-products in the glass, the rest being water

Allen, 1766.

and alcohol. In the gallon of spirits these amount to 40 to 80 grains of bye-products. Nevertheless the small amount determines the character of the spirit. The fusel oil consisting of the higher alcohols, differs in composition according to the spirit in which

Bell, 3514.

it is found. In patent spirits the alcohol is chiefly propylic; in molasses spirits and

Bell, 3526–3527.

in spirit from malt and grain, the alcohols are chiefly amylic and butylic. The ethers, which are probably produced by the action of free acid on the alcohols, vary with the differences in these. There is present in all pot-still whiskies a body called furfurol in very small quantity, about five thousandths of one per cent., but which from its property

Bell, 3585.

of colouring chemical reagents is a useful test in distinguishing such whiskies especially

Bell, 3681.

from patent still spirits which do not contain it. The bye-products in spirits determine their character as beverages, and the alteration of some of them by ageing gives to the spirits the mellowness which is so much valued by the consumer. It would appear from the elaborate experiments of Dr. Bell that the higher alcohols and ethers do not materially

Bell, 3606.

alter or lessen by age, though the empyreumatic bodies, including furfurol, undergo a change, and this may account for the difference in flavour of old and new spirits. The

Bell, App. 4, 1891.

cask, wood shavings, or charcoal have an influence in abstracting some of the higher alcohols, but apparently to no great degree, for the analyses of old and new spirits show

Allen, 3885.

little variation in the percentage. Mr. Allen did find a marked amount of fusel oil or higher alcohols in the staves of an old cask. The spirit thus obtained by steaming the staves is technically termed "grog," and a cask of 100 gallons containing whiskey at proof gives on an average about one gallon of grog at proof. The cask which he employed had been in bond for 18 years, and the spirit in it is likely to have been considerably under proof, and could scarcely have given above three-fourths of a gallon of grog. In this Mr. Allen found 0·165 per cent. of the higher alcohols, showing an excess over ordinary whiskey of 0·065 per cent. This spread over the original quantity of 100 gallons would show that the wood had only taken up to the extent of 0·00048 per cent. of the higher alcohols, an amount which would not appear by analysis. Interesting therefore as the examination of the grog in the wood of this cask was, it does not account for the mellowing of the spirits, which probably is due to other causes such as those explained above. The general conclusion of the evidence seems to be that the mellowing of spirits by age is due to minute quantities of very imperfectly known bodies affecting the taste and smell, and which are present even in much smaller amount than the higher alcohols and ethers which are found practically to the same extent in old and new spirits.

Bell, 911–940.

Your Committee arranged with the Inland Revenue that about 50 samples of spirits should be collected from public-houses, shebeens, and fairs in various parts of the country to ascertain whether adulterations of a pernicious character might be put into them by the retailer before being given out to the customers. It is pleasing to say that not a single case of such adulteration was found. They varied greatly in strength, being from 14 to 30 under proof, but the spirit was normal.

V.—Blending of Spirits.

The blending or mixing of different kinds of spirits, chiefly whiskey, has now become a large trade. From 13 to 14 million gallons are operated upon in warehouses in this way. It is stated that public taste requires whiskey of less marked characteristics than formerly, and to gratify this desire various blends are made, either by the mixture of pot still products, or by the addition of silent spirits from the patent stills. In the latter case cheapness is often the purpose of the blend, but it is also stated that it incorporates the mixture of several whiskies more efficiently. The blends, even when made from old spirits of various kinds are frequently kept in bond for a considerable time, although, in other cases, they enter into consumption soon after the mixture, according to the requirements or convenience of the dealers. Foreign spirits are not allowed to be mixed with British spirits in bond, except for exportation, and even when duty paid seem to be little used for this purpose. British and Irish patent spirits are largely used in blending, those kinds being preferred which contain bye-products of distillation. They are purchased for this purpose by vendors and are not necessarily blended in bond.

Molyneux, 379. Greenlees, 2934 *et seq.* Currie, 2805. Molyneux, 348. Barr, 2649–2702. West, 231–302. Molyneux, 352. Samuel, 1305. Drysdale, 2259. Drysdale, 2197 *et seq.* West, 100.

Some witnesses were of opinion that patent spirits should not be allowed to be blended with pot-still products, but they admitted that this restriction could only be applied in bond, as the mixture could be made after payment of duties, and could not be detected by any chemical means. On the other hand, the Scotch and Belfast distillers, who make both pot-still and patent still spirits, state that a large industry would be destroyed if any restrictions of this nature were put on their trade.

Swan, 2558. Malone, 2451. Allen, 1862 *et seq.* Allen, 1889 *et seq.* Bell. Samuel, 1468–1596. Molyneux, 461–508. Barr, 2649. Drysdale, 2248.

Your Committee do not recommend any increased restrictions on blending spirits. The trade has now assumed large proportions, and it is the object of blending to meet the tastes and wants of the public, both in regard to quality and price. The addition of patent still spirit, even when it contains a very small amount of bye-products, may be viewed rather as a dilution than an adulteration, and, as in the case of the addition of water, is a legal act within the limits of strength regulating the sale of spirits.

VI.—Bonding of Spirits.

Spirits are kept in bond for two purposes; (1.) for the convenience of distillers and dealers; (2.) in order that they may be improved by age, which renders them ripe and mellow for consumption. The Inland Revenue have only two Crown warehouses, in which spirits are kept in bond at a charge of one penny per week for 40 gallons of whiskey. In addition to these, there are 442 general excise warehouses, mostly the property of distillers, companies of large dealers, or railway companies. The Customs have 728 warehouses; and there are 837 belonging to individual distillers. The quantity of spirits kept in bond has increased largely in recent years. Thus in 1886 about 68 million gallons of whiskey were in bond, and in 1890 it had increased to 85 millions. It is found that matured whiskey commands a higher price, varying from 4 *d.* to 1 *s.* per gallon per annum according to the quality.

West, 66. West, 67–74. West, 57.

Since the increment in value is much greater than the warehouse charges there is a trade motive to keep whiskey in bond. As it undoubtedly improves by age all the witnesses were asked whether there would be any hardship in enacting that whiskey should be kept compulsorily in bond for a given period. The testimony was practically unanimous that compulsory bonding would harass trade, and was altogether unnecessary. This opinion was given by experts from England, Scotland, and Ireland. They stated that there was a growing demand for old whiskies, and that this was sufficient to induce vendors to keep spirits in bond, especially as the rise of price with age paid them for doing so. At the same time there was evidence that much whiskey entered into consumption within six months of its distillation. Blending with patent or silent spirit had led to this early consumption, because it diluted the bye-products which might be in excess in certain kinds of whiskey.

West, 284–293, 305, 306. Molyneux, 370–378. Murray, 577. Drysdale, 2204–2208. 2225. *et seq.* Dunlop, 2373. Barr, 2661. Malone, 2417. Currie, 2829 *et seq.* Allen, 1918. Ross, 1954–1956. Scott, 2320. Greenlees, 2977–2978. Trower, 3056 *et seq.* Druce, 3400. Wilson, 3425–3429. Lauder Brunton, 3428.

There are varieties in the purity of patent or silent spirits. When they are made for blending as by some distillers in Scotland and Belfast, it is the object of the distiller to retain a certain percentage of bye-products, though to a smaller extent than in pot-still whiskey. Spirits thus made are improved by ageing, and are sometimes kept in bond before being used for blending. Patent spirits distilled in London are chiefly sold to

Drysdale, 2198–2200. Pavy, 3745. Greenlees, 2492. Drysdale, 2199. West, 41–45. 104, 105.

Bell, 869. 894–900. Molyneux, 535. Samuel, 1282–1286. 1408–1417. 1497–1499. Murray, 577–580.

to rectifiers, and contain only minute quantities of bye-products, and this is true also as regards foreign spirits of a like kind which approach still more nearly to pure diluted alcohol. With regard to spirits of this chemical purity there is no improvement, but rather a deterioration by being kept in bond for the purpose of ageing.

Similar evidence against compulsory bonding was given to us in the case of brandy and rum. Undoubtedly, as in the case of other spirits, both are improved by ageing, the former especially, though they not unfrequently reach this country ready for consumption, and in a state of maturity. Compulsory bonding in this case would be a hardship, and might materially interfere with the bottling trade in this country, for its tendency would be to force importation in bottles instead of in casks. Rums are frequently blended and vatted to equalise the strength and colour.

Samuel, 1293-1301. 1545–1547. Murray, 571–574. Lubbock, 3319.

Our general conclusion from the evidence submitted to us is, that compulsory bonding of all spirits for a certain period is unnecessary, and would harass trade (*See* Section VIII).

VII.—Ether and Methylated Spirit.

A.—*Ether.*

The use of ether as an intoxicant by drinking, exists in South Derry and a small portion of Tyrone, in a district about 609,000 acres in area, but, so far as we could ascertain, in no other part of the Kingdom. The origin of the practice is said to have been the effective putting down of illicit distillation in the mountainous district of Tyrone, about 30 years ago, and the substitution of this cheaper intoxicant for duty-paid whiskey. Ether is expensive, but a small quantity of it (a teaspoonful or tablespoonful) is sufficient for intoxication. The ether used is generally impure, and is made from methylated spirit; it has a specific gravity of 0·750 to 0·790, whereas pure ether made from alcohol has the lower specific gravity of 0·720. The character of the drunkenness is much the same as with whiskey, but it is more rapid in its action, while, as the after effects are not so disagreeable, a person may get drunk two or three times in the day at a cost of 6*d.* It is difficult to say how much is consumed per head of the population, but it is understood that the railways carry into the district about four tons annually, a very large amount when it is considered that a dose for an adult does not exceed a tablespoonful. The demoralisation as well as the physical deterioration of the drinkers is undoubtedly great, and called for a remedy. Accordingly, at the instance of the Inland Revenue, ether has been scheduled under the Poisons Act, and since this has been done the sale in grocers' shops has practically ceased, and that of druggists is largely curtailed. The Rev. Dr. Carter, the Rector of Cookstown, fears that the success of this measure in restraining the practice will not be permanent. On the other hand, Mr. Wilkinson believes that it has suppressed the practice in his district, and Inspector Clark, who was sent on a tour of inspection throughout the neighbourhood, gives positive evidence as to the decrease of this pernicious custom. It will be necessary to watch closely the further effect of scheduling ether as a poison, and it is in the interest of the Inland Revenue to do so, as this intoxicant may be and is made from methylated alcohol, and thus escapes paying the duty with which other intoxicating beverages are charged. For the present your Committee do not think that other measures are necessary, unless it may be considered desirable to obtain powers for search of grocers' shops, and of itinerant vendors who sell ether.

Carter, 3080 *et seq.* Wilkinson, 3152, *et seq.* Ledlie, 3201 *et seq.* Clark, 3899–3914. 3951. Pavy, 3758–3765.

Tichborne "Health Record, April 1891."

B.—*Methylated Spirit.*

This spirit is used in many industries and is duty free, except when made from foreign spirit, which is subject to a protective duty of 4*d.* per gallon. It consists of nine parts of ordinary spirits mixed with one part of crude wood naphtha, which having an offensive smell and taste, is intended to prevent it being used as a beverage. In recent years its use and quantity have been increasing. In 1885-6, the quantity of methylated spirits issued was, 2,477,798 gallons, and in 1890 it amounted to 3,188,306 gallons. This methylated spirit can be used for the purpose of making ether and chloroform. Although the smell and taste are nauseous, evidence shows that it is used, to a considerable and increasing extent, in the Braid district, county Antrim, covering an area of five to eight square miles. Its retail price is about 3*s.* per gallon, while that of ordinary spirits is about 20*s.* In Ballymena, three chemists and druggists sold last year 714 gallons, and though part of this quantity may have been used for legitimate purposes, the major part is supposed to

West, 120.

Wilkinson, 3166 *et seq.* Clark, 3917–3932.

to be taken as an intoxicant. The nauseous taste and smell are disguised by mixing it with tea and sugar. For 1 *d.*, a glass of methylated spirits can be got, having a greater intoxicating effect than whiskey. The effects on the drinkers are stated to be deleterious, as it impairs the brain more quickly than alcohol. Efforts were made by the Inland Revenue to limit the quantity sold to retailers, in this district, to one quart, but the Pharmaceutical Society opposed the restriction, and it was taken out of a Bill before the House of Commons. Still, under the Budget Act of last Session, the Inland Revenue might order a register to be kept of sales of methylated spirits retailed in any particular district, and they might modify the composition of methylated spirits used for retail purposes, so as to make it more offensive as a beverage.

Molyneux, 387.

Clark, 3936. Wilkinson, 3196.

VIII.—Effect of Spirits on Public Health.

Your Committee did not think that it was within the range of this inquiry to collect evidence as to whether a total abstinence from the use of spirits is better for the public health than taking them in moderate amount as a stimulant. There have been many experiments made upon the physiological action of the higher alcohols and ethers which constitute the bye products of distillation found in potable spirits. These experiments have led to contradictory results by various physiologists, but they bear little relation to the subject of our inquiry, because in no case were any injurious effects observed after taking such minute quantities of bye products as are found in the spirits of commerce. Thus in a glass of brandy, rum, or whiskey, the amount of fusel oil is not more than one or two grains; while this quantity added to a glass of water and taken as a dose would have no sensible physiological effect deleterious or beneficial. Under these circumstances, your Committee, with the consent of the Treasury, deemed it to be advisable to ask two of the highest authorities in dietetics, Dr. Pavy, F.R.S., and Dr. Lauder Brunton, F.R.S., to consider the whole evidence, existing in this country and abroad, in order to give their professional opinions for the guidance of the Committee. Their opinions coincide with those of the public, that old mellowed spirits are less irritating to the stomach than newly distilled spirits. It is possible, as Dr. Lauder Brunton suggests, that some new bodies, hitherto unrecognised by chemical analysis, may explain the fact that old spirits are more wholesome than new, but on this point we are in the region of conjecture, and not of established truth. Our present knowledge, at all events, is insufficient to justify your Committee in recommending that all pot-still whiskies should be kept in bond for a definite period of time, until the bye products contained in them became mellowed by age, for it is only in pot-still whiskies that they occur in marked quantity, while their retention in bond would give an unfair advantage to the patent still whiskey made in Ireland and Scotland, as well as the chemically purer spirits made in England, or imported from abroad. Both the medical men referred to held the opinion that old spirits were more wholesome than new, though they did not think that there was sufficient justification for inflicting this hardship upon the distillers of pot-still whiskies. It is true that Canada has passed an Act to compel compulsory bonding of whiskey for two years, but your Committee do not consider that it would be desirable to follow this example. The public taste has forced the blenders to mix whiskies so as to lessen the per centage of bye products. either by adding milder whiskies to fuller flavoured spirits, or by diluting with silent spirits from the patent stills. This practice may not be so satisfactory as ageing, but at all events it lessens the amount of the irritating ingredients which probably are empyreumatic compounds, for new whiskey and old whiskey seem to contain the same amount of the higher alcohols and ethers. Dr. Pavy considers that the silent spirits act like other spirits in relation to health, although they are insipid and flavourless from the small amount of bye products, just as the extract of meat is, unless condiments are added to convert it into a pleasant flavoured soup. The bye products are the condiments to the insipid alcohol of silent or patent spirits. It is true that one witness, Mr. Samuel, with a view of giving information to the Committee, experimented on himself, and found injurious effects from the use of patent spirits, but neither Dr. Pavy nor Dr. Lauder Brunton attach importance to a single experiment.

Appendix I.

Bell, 929–931, 975, 1200–1208, 1036–1039.

Pavy, 3753.

Pavy, 3737 *et seq.*

Lauder Brunton, 3813 *et seq.*; 2271, 3874–3879, 2276.

Brunton, 3828. Pavy, 3775.

Canadian Law, App. 4, p. 79.

Pavy, 3779, 3789–3790.

Pavy, 3735–3736. Samuel, 1837 *et seq.* Samuel, 1643 *et seq.* Pavy, 3778. Brunton, 3847.

The conclusion of your Committee is that as the public show a marked preference for old spirits, which the trade find more profitable, and as the practice has arisen of blending whiskies with patent spirits, to fit them for earlier consumption, it is not desirable to pass any compulsory law in regard to age, especially as the general feeling of the trade is that such an obligation would harass commerce, and be an unfair burden on particular classes of spirits.

IX.—Food and Drugs Act and Merchandise Marks Act.

The reference to your Committee instructs us to examine as to whether the Food and Drugs Acts mentioned (38 & 39 Vict. c. 73 (1875), and the amended Act, 42 & 43 Vict. c. 30 (1879), and the Merchandise Marks Act, 50 & 51 Vict. c. 28 (1887)), are applicable to the sale of spirits.

A.—*Food and Drugs Acts.*

The Food and Drugs Act is already used for this purpose, and frequent convictions have been made under it. Section 6 of the amended Act prohibits the sale of spirits at a less strength than 25 degrees under proof for brandy, whiskey, and rum, or 35 under proof in the case of gin. The original Food and Drugs Act (1875) (sec. 8) exempts any mixture or dilution of an article from penalty, if labelled to that effect. Your Committee are unable to recommend any further provisions as regards adulteration, because they have not found that the spirits of commerce are adulterated with any materials noxious to health. Under Section 6 of the first Food and Drugs Act, a sale is illegal if the purchaser be prejudiced by buying "any article of food or any drug which is not of the nature, substance, and quality, of the article demanded by the purchaser." Under this section a vendor selling as malt whiskey spirits containing none of the bye-products of malt, or of malt and grain, could be detected in the present state of chemical knowledge, if the malt spirit had been made in a pot still. So far the present law applies. But your Committee are unable to recommend any standard of purity or impurity which could guide such conviction, because spirits when made in the same distillery, and still more those made in different distilleries, show considerable variations in the amount of the bye-products which give the character to spirits. It is easier, in the case of foreign spirits, to determine whether, for instance, a rum comes from a cane-growing country such as Jamaica or Trinidad, or whether it is an imitation rum made on the Continent from plain spirits flavoured with fragrant essences. But a standard of purity would be difficult of application, as the true rums differ so much among themselves, the Jamaica rum containing twice as much of the ethers as that from Demerara. In the case of brandies the bye-products are so similar in character and quantity to the whiskies, that it would be impossible to lay down a safe standard. A standard of purity has been enacted in Switzerland for the sale of spirits, but it is not applicable to spirits made in this country. Thus the Swiss standard is that the spirit should not contain more than 0·2 per cent. of bye-products in absolute alcohol, corresponding to 0·12 per cent. on proof spirit. In pot-still whiskies of this country the bye-products vary in per centage by Rose's process from 0·132 to 0·208; while the patent-still spirits vary from nil to 0·047. The Swiss standard of purity would reject most of our pot-still whiskies and admit all the patent-still spirits.

Bell, 3635.
Bell, 3633.
Bell, 3639–3647.

Your Committee, on a review of all the evidence before them, have come to the conclusion that a standard of purity cannot be applied to the spirits made in this country, or to those imported from abroad, for, although some very impure spirits are imported, they seem to be all accounted for by their use as methylated spirit, and are not employed as beverages.

Bell, 3630–3632.
Williams, 671, 672.

B.—*Merchandise Marks Act.*

Under this Act it is illegal to sell under "a false trade description," such as giving a false account of the place or country in which the goods are produced, or as to the materials of which they are composed. Under this Act, we think that both the Inland Revenue and the Customs might make rules for preventing frauds by more precise descriptions of spirits, so long as they remain in or are delivered from bond. For example, the present rules enable a person to mark his cask with the nature of its contents, such as "Malt Whiskey." The authorities would not allow a false mark to be placed on the casks with their knowledge, but it would be practically impossible for them to vouch that all blended spirits put in bond did not contain mixtures of malt whiskey, or whiskey made from grain, or that they did not contain whiskies produced by patent stills. All that they can do is to prevent false descriptions, when they know them to be false.

In the case of rum, that name was long applied to the spirits coming from cane-growing countries. A cheap imitation of it is now made on the Continent, and it would be

Murray, 581–601, 619, *et seq.*; 608.

be easy to label it as an imitation in the bonded warehouses, though it would be very difficult to follow imitation, when it passed to the consumers. Your Committee think that it is a reasonable desire on the part of the cane-growing countries that their spirits should continue to be called "Rum," and that imitations of it should be labelled as imitations. In the bonded warehouse rum may be vatted or diluted to suit the consumer. These operations are unobjectionable; but the rum importers complain that Hamburg imitation rum is blended with the true rum, and they desire to prevent the mixture in bond. Such a mixture is now labelled "Mixed Rum, E. & C.," indicating that it is a mixture of European and Colonial rum. The amount of rum imported from our Colonies is between three and four million gallons, while the imitation rum from Germany amounts only to 278,000 gallons. Your Committee are of opinion that facilities should not be afforded by the Customs for making this mixture in bond, but that rum should be entered under that name when it comes from cane-growing countries, and that it should not be mixed with imitation rums in bond. But it would be impracticable to protect it from admixture, when out of bond, either by the wholesale vendors or by the publican, as there are no certain means of identifying such mixtures.

Williams, 664–670. Bell, 875–882. 1055–1059.

Lubbock, 3319.

Murray, 589. Williams, 664–670. Samuel, 1483–1488.

Lubbock, 3324–3329.

It is less practicable to give relief in bond to importers of genuine brandy, because the spirits with which it is mixed are to a large extent made on the Continent and are blended before importation.

Your Committee are of opinion that both the Inland Revenue and the Customs should support the operation of the Merchandise Marks Act, as far as they are able to do so, by taking precautions that spirits are not falsely described either as to their character or country of origin while they are in bond or delivered from bond. The authorities in charge of bonded spirits do not knowingly allow false descriptions, and have expressed their willingness to prevent them. But it must be borne in mind that the trade are against undue restrictions of description, and have got some of them removed. Your Committee have received representations from importers and from bonded warehouse keepers in this country, that further restrictions will hamper trade.

Williams, 656–670.

Trower, 3053–3079.

Molyneux, 460–463.

West, 168–216. 294–297. 308–310. 317–325.

30 *April* 1891.

PROCEEDINGS OF THE COMMITTEE.

Wednesday, 4th February 1891.

MEMBERS PRESENT:

Sir Lyon Playfair.	Mr. Flynn.
Sir Edward Harland.	Mr. M'Ewan.
Mr. T. M. Healy.	Sir Henry Roscoe.
Mr. Jackson.	

Sir LYON PLAYFAIR was called to the Chair.

The Committee deliberated.

[Adjourned till Tuesday next, at Twelve o'clock.

Tuesday, 10th February 1891.

MEMBERS PRESENT:

Sir LYON PLAYFAIR in the Chair.

Mr. Boord.	Mr. M'Ewan.
Sir Edward Harland.	Sir Henry Roscoe.
Mr. T. M. Healy.	Mr. Somervell.
Colonel Hill.	

Mr. *W. Cobden Samuel* and Mr. *Alfred Allen* were examined.

[Adjourned till Tuesday next, at Twelve o'clock.

Tuesday, 17th February 1891.

MEMBERS PRESENT:

Sir LYON PLAYFAIR in the Chair.

Mr. Boord.	Mr. Somervell.
Mr. M'Ewan.	Mr. T. M. Healy.
Sir Edward Harland.	Sir Henry Roscoe.
Colonel Hill.	Mr. Jackson.

Mr. *Gilchrist Ross*, Mr. *Andrew Drysdale*, Mr. *James Scott*, and Mr. *James Dunlop* were examined.

[Adjourned till Tuesday next, at Twelve oclock.

Tuesday, 24*th February* 1891.

MEMBERS PRESENT:

Sir Lyon Playfair in the Chair.

Sir Edward Harland.	Mr. Somervell.
Sir Henry Roscoe.	Mr. Boord.
Mr. M'Ewan.	

Mr. *Laurence Malone*, Mr. *Allan Swan*, and Mr. *James Barr* were examined.

[Adjourned till Tuesday next, at Twelve o'clock.

Tuesday, 3*rd March* 1891.

MEMBERS PRESENT:

Sir Lyon Playfair in the Chair.

Mr. Boord.	Mr. Somervell.
Sir Edward Harland.	Sir Henry Roscoe.

Mr. *James P. Currie*, Mr. *James Greenlees*, and Mr. *Percy Trower* were examined.

[Adjourned till Tuesday next, at Twelve o'clock.

Tuesday, 10*th March* 1891.

MEMBERS PRESENT:

Sir Lyon Playfair in the Chair.

Mr. Jackson.	Mr. M'Ewan.
Mr. Boord.	Sir Edward Harland.
Colonel Hill.	Mr. Somervell.

Dr. *H. B. Carter*, Mr. *Wilkinson*, Mr. *Mackenzie Ledlie*, Mr. *N. Lubbock*, and Mr. *Albert Prince* were examined.

[Adjourned till Tuesday next, at Twelve o'clock.

Tuesday, 17*th March* 1891.

MEMBERS PRESENT:

Sir Lyon Playfair in the Chair.

Sir Henry Roscoe.	Mr. M'Ewan.
Colonel Hill.	Sir Edward Harland.
Mr. Boord.	

Mr. *Wilson* and Dr. *James Bell* were examined.

[Adjourned till Tuesday, the 14th of April, at Twelve o'clock.

Tuesday, 14*th April* 1891.

MEMBERS PRESENT:

Sir LYON PLAYFAIR in the Chair.

Sir Henry Roscoe.	Mr. Boord.
Mr. Somervell.	Mr. M'Ewan.
Colonel Hill.	Sir Edward Harland.
Mr. Jackson.	Mr. T. M. Healy.

Dr. *F. W. Pavy*, Dr. *Lauder Brunton*, Mr. *Alfred Allen*, and Inspector *James Clarke* were examined.

The Room cleared.—Further course of proceeding considered.

[Adjourned till Thursday, 30th April, at Twelve o'clock (to consider Report).

Thursday, 30*th April* 1891.

MEMBERS PRESENT:

Sir LYON PLAYFAIR in the Chair.

Mr. Boord.	Sir Henry Roscoe.
Colonel Hill.	Mr. T. M. Healy.
Mr. M'Ewan.	Sir Edward Harland.

DRAFT REPORT, proposed by the *Chairman*, read the first time, as follows:—

"The reference made to your Committee is the following:—

"*Ordered*, That a Select Committee be appointed to consider whether, on grounds of public health, it is desirable that certain classes of spirits, British and Foreign, should be kept in bond for a definite period before they are allowed to pass into consumption, and to inquire into the system of blending British and Foreign Spirits in or out of bond, and into the propriety of applying the Sale of Food and Drugs Act and the Merchandise Marks Act to the case of British and Foreign Spirits and mixtures of British and Foreign Spirits, and also into the sale of ether as an intoxicant.

"1. Your Committee are instructed to limit their inquiries in regard to the bonding and blending of spirits to their effect on public health, and they are empowered to consider whether the Merchandise Marks Act and the Food and Drugs Act should be extended to spirits so as to enable the public to know the character, origin, and state of purity of the products offered for consumption, and to limit the sale when they are deleterious.

"I.—PRODUCTION AND CONSUMPTION OF SPIRITS.

"2. In the estimation of the production and consumption of spirits, it is usual to refer to them as being at "Proof Strength,"* which means nearly equal quantities of absolute alcohol and water. In the year ending 31st March 1890, the production of spirits in the United Kingdom amounted to 40,900,000 gallons, which are accounted for as follows:

"Passes into consumption	28,000,000 gallons.
"Exportation	3,500,000 „
"Used for methylation	1,500,000 „
"Waste by evaporation, &c.	2,500,000 „
"Medicinal purposes and tinctures	1,000,000 „
"Put into bond	4,400,000 „

These are general figures which require some explanation. The 28,000,000 gallons consumed includes the spirit which may be stored in cellars for future consumption, and also that which is sold to rectifiers for the purpose of making gin and fortifying wines.

"3. It may be useful to give a Table, including imported spirits, showing the amount consumed per head of the population in recent years.

STATEMENT

Note.—Proof spirit must weigh at a temperature of 51° Farh., 12-13ths of an equal measure of distilled water (Geo. 3, c. 58). It therefore contains 49·3 per cent. by weight, and 57·09 per cent. by volume of absolute alcohol.

STATEMENT showing the Total Quantities of British, Foreign, and Colonial Spirits Retained for Home Consumption, and the Quantity Consumed per Head of Population.

Year ended 31st December	Population (corrected).	Consumption of British Spirits. Gallons.	British Spirits. Gallons per Head.	Foreign and Colonial Spirits. Gallons.	Foreign and Colonial Spirits. Gallons per Head.	Gallons per Head of Spirits of all kinds.
1852	27,448,257	25,200,879	·918	4,866,259	·177	1·095
1862	29,243,610	18,836,187	·644	5,193,641	·177	·821
1872	31,874,183	26,872,183	·843	9,068,329	·285	1·128
1882	35,297,114	28,554,264	·809	8,338,578	·236	1·045
1885	36,331,119	26,609,488	·732	8,012,656	·221	·953
1886	36,709,409	25,954,251	·707	8,634,581	·235	·942
1887	37,091,564	25,969,776	·700	8,163,028	·220	·920
1888	37,453,574	25,963,593	·693	9,105,528	·243	·936
1889	37,808,892	27,183,351	·719	9,659,516	·255	·974
1890	38,227,321	29,410,431	·769	—	—	—

"The amount of spirits consumed in England, Scotland, and Ireland per head of the population shows considerable variations. In England the consumption per head is a little above half a gallon annually; in Scotland it is one-and-a-half gallons; and in Ireland one gallon. West, 28.

"The nature and character of the spirits made in the United Kingdom is described in another section of the Report. So it may be sufficient at present to give the quantities of spirits imported into the country under the Customs.

"The total quantity imported in 1890 was 10,578,729 gallons, consisting of:— Murray, 558.

"Brandy	2,858,774
"Rum	4,087,089
"Geneva	304,493
"German spirit	3,199,470
"Other spirits	129

"II.—DISTILLATION OF SPIRITS.

"5. Spirits differ from wines by being obtained through distillation of the fermented liquids. The stills are of two kinds: (1) Those which are called "Pot stills," in which fire is applied to the still containing the fermented liquid; (2) Various kinds of stills in which steam is used as the source of heat. These are generally called "Patent" or "Coffey" stills in this country. There are also rectifying stills for purifying the spirits for certain purposes, such as making gin or obtaining pure alcohol for medicine and the arts. West, 9, 11. Bell, 3481. Swan, 2617–2

"A.—*Pot-Stills.*

"6. Whiskey is still chiefly made in pot-stills by the application of the heat of a fire to the fermented liquid. Of the 28 million gallons produced and consumed as a beverage, 16 millions are made in pot-stills. The materials used for fermentation are the same in pot and patent stills, though they may be in different proportion. In 1889 they consisted of:— Molyneux, 348, 357. Molyneux, 328

"Malted barley	907,791 quarters.
"Unmalted grain	1,055,222 "
"Sugar	31,152 cwt.
"Molasses	211,464 "
"Rice	57,721 "
"Jawarra	8,898 "

"In pot stills, however, the materials used are now almost entirely confined to malt or to mixtures of malt and grain. The whiskey obtained from pot stills contains more of the substances which give taste and aroma to the beverage, as well as more of those compounds that are to be mellowed or removed by ageing, than the spirits obtained by steam from patent stills (*see* Section IV.). In pot stills all the bye-products referred to are kept and incorporated in the spirits, while in the patent still spirits they are, to a large extent, skimmed off and removed. This fact explains the difference to some extent of the spirits obtained from the same material. Wilson, 3420-2 Bell, 3486.

"B.—*Patent or Coffey Stills.*

"7. In this process of distillation a mixture of malt and grain is fermented, the proportions varying from 15 to 34 per cent. of malt. About 25,000,000 gallons are made in these stills, of which about 6,000,000 are sent to the rectifiers, about 6,628,000 gallons are used as whiskey, chiefly for blending, and the rest for various purposes in the arts, and not used as a beverage. In addition to the 25,000,000 gallons of patent spirits produced in this country, about 3,200,000 are imported under the name of "German Spirits," although the bulk is supposed to come from Russia. Except a small quantity of impure spirits used for methylation, the foreign spirits are of the same or even superior quality to the patent spirits produced in this country. The foreign silent spirit cannot be mixed in bond with British spirits, though it is believed to be used for blending in public-houses, but not to any great extent. Its chief use seems to be in the making of gin.

"C.—*Rectification of Spirits.*

"8. About 6,000,000 gallons of the patent spirits made in this country, and an unknown amount of foreign spirits of the same kind, are distilled by rectifiers to remove the small percentage of fusel oil and bye-products which they contain, in order that the purified spirit may be converted into gin or other cordials. The basis of these is nearly pure alcohol, to which is added juniper and other flavouring materials.

"III.—Definition and Classification of Spirits.

"9. There is no exact legal definition of spirits going by popular names, such as whiskey, brandy, rum, patent or silent spirits. Some witnesses desired to define whiskey as the spirit made in pot stills, and would deny that name to spirits made in stills heated by steam, even though the proportions of malt and grain used in the production might be the same in both. Some of the distillers from malt desired that their whiskey should be called "malt whiskey," though the general name "whiskey" might be extended to those who mix malt with grain. On the other hand, distillers in Belfast and Scotland urged that spirits distilled by steam in patent stills from malt and grain were entitled to be considered as whiskey; that they are used sometimes as such directly, and are now largely employed in blending pot still whiskey. They gave evidence that there was increased demand for whiskey of a milder kind, and that blends of pot still and patent still whiskey were in large demand by the consumers, who thus obtained a cheaper and a milder whiskey containing a smaller quantity of fusel oil and other bye-products.

"10. Your Committee do not attempt a legal definition of whiskey. They would refer to the evidence of Dr. Pavy for a general and useful definition of spirits of various kinds, but this is too general for a legal definition. Whiskey is certainly a spirit consisting of alcohol and water, with a small quantity of bye-products coming from malt or grain, which give to it a peculiar taste and aroma. It may be diluted with a certain quantity of water without ceasing to be whiskey, and it may be diluted with spirits containing little of the bye-products to suit the pocket and palate of customers, and it still goes by the popular name of whiskey. Your Committee are unable to restrict the use of the name as long as the spirits added are pure and contain no noxious ingredients.

"11. In regard to other spirits the same difficulty exists as to definition. Foreign brandy consists of dilute alcohol flavoured with the bye-products of the grape; but British brandy is an imitation without these bye-products, and is made from a silent spirit. Rum is a spirit coming from cane-growing countries, and consisting of dilute alcohol flavoured with the bye-products of the molasses of the cane, but continental rum in imitation of it is imported from abroad, and often contains no bye-products of molasses, being flavoured with flagrant ethers to represent them. Your Committee will deal with these imitations in a future section.

"IV.—Character and Purity of Spirits.

"12. It has already been explained that all spirits contain as their basis water and alcohol, the latter being what is termed "ethylic alcohol." Their character depends on the presence, in greater or lesser quantity, of alcohols comprised under the general term of fusel oil, which consists of alcohols higher in the chemical series termed propylic, butylic, amylic, and other alcohols, in addition to small quantities of ethereal bodies and empyreumatic compounds. These vary according to the nature of the fermented wort, being distinctive in their nature when derived from grapes, molasses, malt, or a mixture of malt and grain. In all cases where the spirits are used for potable purposes they are small in quantity, and do not differ much in percentage, whether they are of British or foreign origin. Thus a wine glass full of spirit at proof contains about a thousand grains, and it is rare to find commercial spirits which contain more than from one to two grains of bye products in the glass, the rest being water and alcohol. In the gallon of spirits these amount to 40 to 80 grains of bye-products. Nevertheless the small amount determines the character of the spirit. The higher alcohols differ in their composition, according to the source of the spirit. In patent spirits the alcohol is chiefly propylic; in molasses spirits and in spirit from malt and grain, the alcohols are chiefly amylic and butylic. The ethers, which are probably produced by the action of free acid on the alcohols, vary with the differences in these. There is present in all pot-still whiskies a body called

called furfurol in very small quantity, about five thousandths of one per cent., but which from its property of colouring chemical reagents is a useful test in distinguishing such whiskies and distinguishing them from patent still spirits which do not contain it. The bye-products in spirits determine their character as beverages, and the alteration of some of them by ageing gives to the spirits the mellowness which is so much valued by the consumer. It would appear from the elaborate experiments of Dr. Bell that the higher alcohols and ethers do not materially alter or lessen by age, though the empyreumatic bodies, including furfurol, undergo a change, and this may account for the difference in flavour of old and new spirits. The cask, wood shavings, or charcoal have an influence in abstracting some of the higher alcohols, but apparently to no great degree for the analyses of old and new spirits show little variation in the percentage. Mr. Allen did find a marked amount of fusel oil or higher alcohols in the staves of an old cask. The spirit thus obtained is technically termed 'grog,' and a cask of 100 gallons containing whiskey at proof gives on an average about one gallon of grog at proof. The cask which he employed had been in bond for 18 years, and the spirit in it is likely to have been considerably under proof, and could scarcely have given above three-fourths of a gallon of grog. In this Mr. Allen found 0·165 per cent. of the higher alcohols, showing an excess over ordinary whiskey of 0·065 per cent. This spread over the original quantity of 100 gallons would show that the wood had only taken up to the extent of 0·00048 per cent. of the higher alcohols, an amount which would not appear by analysis. Interesting therefore as the examination of the grog in the wood of this cask was, it does not account for the mellowing of the spirits, which probably is due to other causes such as those explained above. The general conclusion of the evidence seems to be that the mellowing of spirits by age is due to some minute bodies which affect the taste and smell, and which are present even in much smaller amount than the higher alcohols and ethers which are found practically to the same extent in old and new spirits.

Bell, 3586
Bell, 3681.
Bell, 3606.
Bell, App. 4, 1891
Allen, 3885.

"13. Your Committee arranged with the Inland Revenue that about 50 samples of spirits should be collected from public-houses, shebeens, and fairs in various parts of the country to ascertain whether adulterations of a pernicious character might be put into them by the retailer before being given out to the customers. It is pleasing to say that not a single case of such adulteration was found. They varied greatly in strength, being from 14 to 30 under proof but the spirit was normal.

Bell, 911-940.

"V.—Blending of Spirits.

"14. The blending or mixing of different kinds has now become a large trade. From 13 to 14 million gallons are operated upon in warehouses in this way. It is stated that public taste requires whiskey of a milder type than formerly, and to gratify this desire various blends are made, either by the mixture of pot still products, or by the addition of silent spirits from the patent stills. In the latter case cheapness is often the purpose of the blend, but it is also stated that it incorporates the mixture of several whiskies more efficiently. The blends, even when made from old spirits of various kinds, are frequently kept in bond for a considerable time, although, in other cases, they enter into consumption soon after the mixture. Foreign spirits are not allowed to be mixed with British spirits in bond, except for exportation, and even in private seems to be little used for this purpose. English patent spirits are largely used in blending, those kinds being preferred which contain bye-products of distillation. They are purchased for this purpose by vendors and are not necessarily blended in bond.

Molyneux, 379.
Greenlees, 2934 *et seq.*
Currie, 2805.
Molyneux, 348.
Barr, 2649-2702.
West, 231-302.
Molyneux, 352.
Samuel, 1305.
Drysdale, 2259.
Drysdale, 2197 *et seq.*
West, 100.

"Some witnesses were of opinion that patent spirits should not be blended with pot still products, but they admitted that this restriction could only be applied in bond, as the mixture could be made either after or before bonding, and could not be detected by any chemical means. On the other hand, the Scotch and Belfast distillers, who make both pot still and patent still spirits, state that a large industry would be destroyed if any restrictions of this nature were put on their trade.

Swan, 2558.
Malone, 2451.
Allen, 1862 *et seq.*
Allen, 1889 *et seq.*
Bell.
Samuel 1468-1596.
Molyneux, 461-508.
Barr, 2649.
Drysdale, 2248.

"15. Your Committee do not recommend any increased restrictions on blending spirits. The trade has now assumed large proportions, and it is the object of blending to meet the tastes and wants of the public, both in regard to quality and price. The addition of patent still spirit, even when it contains a very small amount of bye-products, may be viewed rather as a dilution than an adulteration, and, as in the case of the addition of water, is a legal act within the limits of strength regulating the sale of spirits.

"VI.—Bonding of Spirits.

"16. Spirits are kept in bond for two purposes: (1.) for the convenience of distillers and vendors to store until the spirits are required for delivery; (2.) in order that they may be improved by age, which renders them ripe and mellow for consumption. The Inland Revenue have only two Crown warehouses, in which spirits are kept in bond at a charge of one penny per week for 40 gallons of whiskey. In addition to these, there are 442 general excise warehouses, mostly the property of distillers, companies of large dealers, or of railway companies. The Customs have 728 warehouses; and there are 837 belonging to individual distillers. The quantity of spirits kept in bond has increased largely in recent years. Thus in 1886 about 68 million gallons of whiskey were in bond, and in 1890 it had increased to 85 millions. It is found that matured whiskey has a higher price, varying from 4 *d.* to 1 *s.* per annum according to the quality.

West, 66.
West, 67-74.
West, 57.

"17. As this is much greater than the warehouse charges there is a trade motive to keep whiskey in bond. As it undoubtedly improves by age all the witnesses were asked whether there would be any hardship in enacting that whiskey should be kept compulsorily in bond for a given period. The testimony was practically unanimous that compulsory bonding would harass trade, and was altogether unnecessary. This opinion was given by experts from England, Scotland, and Ireland. They stated that there was a growing feeling in favour of old whiskies, and that this was sufficient to induce vendors to keep spirits in bond, especially as the rise of price in comparison with age paid them for doing so. At the same time there was evidence that much whiskey entered into consumption within six months of its distillation. Blending with patent or silent spirit had led to this early consumption, because it diluted the bye-products which might be in excess in certain kinds of whiskey.

West, 284–293, 305, 306. Molyneux, 370–378. Murray, 577. Drysdale, 2204–2208. 2225 *et seq.* Dunlop, 2372. Barr, 2661. Malone, 2414. Currie, 2829 *et seq.* Allen, 1918. Ross, 1954–1956. Scott, 2320. Greenlees, 2977–2978. Trower, 3056 *et seq.* Druce, 3400. Wilson, 3425–3429. Lauder Brunton, 3328. Drysdale, 2198–2200. Pavy, 3745. Greenlees, 2492.

"18. There are varieties in the purity of patent or silent spirits. When they are made for blending as in Scotland and Belfast, it is the object of the distiller to retain a certain percentage of bye-products, though to a smaller extent than in pot still whiskey. Spirits thus made are improved by ageing, and are sometimes kept in bond before being used for blending. Patent spirits distilled in London, are chiefly sold to rectifiers, and contain only minute quantities of bye-products, and this is true also as regards foreign spirits of a like kind which approach still more nearly to pure diluted alcohol. With regard to spirits of this chemical purity there is no improvement, but rather a deterioration by being kept in bond for the purpose of ageing.

Drysdale, 2199. West, 41–45. 104, 105. Bell, 889, 894–900. Molyneux, 535. Samuel, 1282–1286. 1408–1417. 1497–1499. Murray, 577–580.

"19. Similar evidence against compulsory bonding was given to us in the case of brandy and rum. Undoubtedly, as in the case of other spirits, both are improved by ageing, the former especially, though they generally reach this country ready for consumption, being in a state of maturity. Compulsory bonding in this case would be a hardship, and might materially interfere with the bottling trade in this country, for its tendency would be to force importation in bottles instead of in casks. The brandies and rums are frequently blended, and they are vatted or reduced to a proper strength as a beverage. Sometimes they are blended with imitation rums or brandies, and also with foreign patent spirits or those made in this country. To this practice we will refer in a later section of the Report.

Samuel, 1293–1301. 1545–1547. Murray, 571–574. Lubbock, 3319.

"20. Our general conclusion from the evidence submitted to us is, that compulsory bonding of all spirits for a certain period is unnecessary, and would harass trade.

"VII.—Ether and Methylated Spirit.

"21. The practice of using ether as an intoxicant by drinking, is prevalent in Tyrone, in a district about 609,000 acres in area, but, so far as we could ascertain, in no other part of the Kingdom. The origin of the practice is said to have been the effective putting down of illicit distillation in the mountainous district of Tyrone, about 30 years ago, and the substitution of this cheaper intoxicant for duty-paid whiskey. Ether is expensive, but a small quantity of it (a teaspoonful or a tablespoonful) is sufficient for intoxication. The ether used is generally impure, and is made from methylated spirit; it has a specific gravity of 0·750 to 0·790, whereas pure ether made from alcohol has the lower specific gravity of 0·720. The character of the drunkenness is much the same as with whiskey, but it is more rapid in its action, while, as the after effects are not so disagreeable, a person may get drunk three or four times in the day at a cost of 6 *d.* It is difficult to say how much is consumed per head of the population, but it is understood that the railways carry into the district about four tons annually, a very large amount when it is considered that a dose for an adult does not exceed a tablespoonful. The demoralisation as well as the physical deterioration of the drinkers is undoubtedly great, and called for a remedy. Accordingly, at the instance of the Inland Revenue, ether has been scheduled under the Poisons Act, and since this has been done the sale in grocers' shops has practically ceased, and that of druggists is largely curtailed. The Rev. Dr. Carter, the Rector of Cookstown, fears that the success of this measure in restraining the practice will not be permanent. On the other hand, Mr. Wilkinson believes that it has suppressed the practice in his district, and Inspector Clark, who was sent on a tour of inspection throughout the neighbourhood, gives positive evidence as to the decrease of this pernicious custom. It will be necessary to watch closely the further effect of scheduling ether as a poison, and it is in the interest of the Inland Revenue to do so, as this intoxicant may be and is made from methylated alcohol, and this escapes paying the duty with which other intoxicating beverages are charged. For the present your Committee do not think that other measures are necessary, unless it may be considered desirable to obtain powers for search of grocers' shops, and of itinerant vendors who sell ether.

Carter, 3080 *et seq.* Wilkinson, 3152 *et seq.* Ledlie, 3201 *et seq.* Clark, 3899–3914. 3951. Pavy, 3758–3765. Tichborne "Health Record, April 1891."

"*Methylated Spirit.*

"22. This spirit is used in the industries of the country and is duty free. It consists of ordinary spirits mixed with one-tenth of crude wood spirit, which having an offensive smell and taste, is supposed to prevent it being used as a beverage. In recent years its use and quantity has been increasing. In 1885–6 the quantity of methylated spirits issued was 2,477,798 gallons, and in 1890 it amounted to 3,188,306 gallons. This methylated spirit can be used for the purpose of making ether and chloroform. Although the smell and taste are nauseous

West, 120.

nauseous, evidence shows that it is used, to a considerable and increasing extent, in the Braid district, covering an area of five to eight miles. Its cost is about 3 *s.* per gallon, while that of ordinary spirits is 20 *s.* In Ballymena three chemists and druggists sold last year 714 gallons, and though part of this quantity may have been used for legitimate purposes, the major part is supposed to be taken as an intoxicant. The nauseous taste and smell are disguised by mixing it with tea and sugar. For 1 *d.* a glass of methylated spirits can be got with double the intoxicating effect of whiskey. The effects on the drinkers are stated to be deleterious, as it impairs the brain quicker than alcohol. Efforts were made by the Inland Revenue to limit the quantity sold to retailers, in this district, to one quart, but the Pharmaceutical Society opposed the restriction, and it was taken out of a Bill before the House of Commons. Still under the Budget Act of last Session, the Inland Revenue might issue regulations with regard to keeping a register of sales of methylated spirits retailed in the Braid district, and they might modify the composition of methylated spirits used for retail purposes, so as to make it more offensive as a beverage.

Wilkinson, 3166 *et seq.* Clark, 3917–3932.

Molyneux, 387.

Clark, 3936. Wilkinson, 3196.

" VIII.—Effect of Spirits on Public Health.

" 23. Your Committee did not think that it was within the range of this inquiry to collect evidence as to whether a total abstinence from the use of spirits were better for the public health than taking them in moderate amount as a stimulant. There have been many experiments made upon the physiological action of the higher alcohols and ethers which constitute the bye-products in potable spirits. These experiments have led to contradictory results by various physiologists, but they bear little relation to the subject of our inquiry, because in no case were any injurious effects observed by the use of such minute quantities of bye-products as are found in the spirits of commerce. Thus in a glass of brandy, rum, or whisky, the amount of fusel oil is not more than one or two grains; while this quantity added to a glass of water and taken as a dose would have no sensible physiological effect deleterious or benefical. Under these circumstances your Committee, with the knowledge and consent of the Treasury, deemed it to be advisable to ask two of the highest authorities in dietetics, Dr. Pavy, F.R.S., and Dr. Lauder Brunton, F.R.S., to consider the whole evidence, existing in this country and abroad, in order to give their professional opinions for the guidance of the Committee. Their opinions coincide with those of the public, that old mellowed spirits are less irritating to the stomach than newly distilled spirits. It is possible, as Dr. Lauder Brunton suggests, that some new bodies, hitherto unrecognised by chemical analysis, may explain the fact that old spirits are more healthy than new, but on this point we are in the region of conjecture, and not of an established truth. The knowledge, at all events, is insufficient to justify your Committee in recommending that all pot-still whiskies should be kept in bond for a definite period of time, until the bye-products contained in them became mellowed by age, for it is only in these that they occur in marked quantity, while their retention in bond would give an unfair advantage to the patent still whiskey made by steam stills in Ireland and Scotland, as well as the purer spirits made in England, or imported from abroad. Both the medical men referred to held the opinion that old spirits were more wholesome than new, though they did not think that there was sufficient justification for inflicting this hardship upon the distillers of pot-still whiskies. It is true that Canada has passed an Act to compel compulsory bonding of whiskey for two years, but your Committee do not consider that it would be desirable to follow the example. The public taste has forced the blenders to mix whiskies so as to lessen the per centage of bye-products, either by adding milder whiskies to fuller spirits, or by diluting the bye-products with silent spirits from the patent stills. This practice may not be so satisfactory as ageing, but at all events it lessens the amount of the irritating ingredients, which probably are empyreumatic compounds, for new whiskey and old whiskey seem to contain the same amount of the higher alcohols and ethers. Dr. Pavy considers that the silent spirits are innocuous as regards health, although they are insipid and disagreeable, just as the extract of meat is, unless condiments are added to flavour it into a pleasant soup. The bye products are the condiments to the insipid alcohol of silent or patent spirits. It is true that one witness, Mr. Samuel, found injurious effects upon himself by the use of patent spirits, but neither Dr. Pavy nor Dr. Lauder Brunton attach importance to a single experiment.

Appendix I.

Bell, 929–931, 975, 1209–1208. 1036–1039.

Pavy, 3753.

Pavy, 3737 *et seq.*

Lauder Brunton, 3813 *et seq*; 2271, 3874. 2276. 3879.

Brunton, 3828. Pavy, 3775.

Canadian Law, App. 4, p. 79.

Pavy, 3719. 3789–3790.

Pavy, 3735–3736. Samuel, 1337 *et seq.* Samuel, 1643 *et seq.* Pavy, 3778. Brunton, 3847.

" 24. The conclusion of your Committee is that as the public show a marked preference for old spirits, which the trade find profitable to age, and as the practice has arisen of diluting the bye-products in strong whiskies with silent spirits, to fit them for earlier consumption, it is not desirable to pass any compulsory law in regard to age, especially as the general feeling of the trade is that such an obligation would harass commerce, and be an unfair burden on particular classes of spirits.

" IX.—Food and Drugs Act and Merchandise Marks Act.

" 25. The reference to your Committee instructs us to examine as to whether the Food and Drugs Acts mentioned (38 & 39 Vict. c. 73 (1875), and Amended Act, 42 and 43 Vict. c. 30 (1879), and the Merchandise Marks Act, 50 & 51 Vict. c. 28), are applicable to the sale of spirits.

" A.—*Food and Drugs Acts.*

" 26. The Food and Drugs Act is already used for this purpose, and frequent convictions have been made under it. Section 6 of the amended Act prohibits the sale of spirits at a less strength than 25 degrees under proof for brandy, whiskey, and rum, or 35 under proof in the

case of gin. The original Food and Drugs Act (sec. 8) exempts any mixture or dilution of an article from penalty, if labelled to that effect. Your Committee are unable to recommend any further provisions as regards adulteration, because they have not found that the spirits of commerce are adulterated with any materials noxious to health. Under Section 6 of the first Food and Drugs Act, a sale is illegal if the purchaser be prejudiced by buying 'any article of food or any drug which is not of the nature, substance, and quality, of the article demanded by the purchaser.' Under this section a vendor selling as malt whiskey spirits containing none of the bye-products of malt, or of malt and grain, could be detected in the present state of chemical knowledge, if the malt spirit had been made in a pot still. So far the present law applies. But your Committee have been unable to recommend any standard of purity or impurity which could guide such conviction, because spirits when made in the same distillery, and still more those made in different distilleries, show considerable variations in the amount of the bye-products which give the character to spirits. It is easier, in the case of foreign spirits, to determine whether, for instance, a rum comes from a cane-growing country such as Jamaica or Trinidad, or whether it is an imitation rum made on the Continent from plain spirits flavoured with fragrant essences. But a standard of purity would be difficult of application, as the true rums differ so much among themselves, the Jamaica rum containing twice as much of the ethers as that from Demerara. In the case of brandies the bye-products are so similar in character and quantity to the whiskies, that it would be impossible to lay down a safe standard for their examination. A standard of purity has been enacted in Switzerland for the sale of spirits, but it is not applicable to spirits made in this country. The Swiss standard is that the spirit should not contain more than 0·2 per cent. of bye-products in absolute alcohol, corresponding to 0·12 per cent. on proof spirit. In pot-still whiskies of this country the bye-products vary in per centage by Rose's process from 0·132 to 0·208; while the patent still-spirits vary from nil to 0·047. The Swiss standard of purity would reject most of our pot-still whiskies and admit all the patent still-spirits.

Bell, 3635.

Bell, 3633.

Bell, 3639–3647.

"27. Your Committee, on a review of all the evidence before them, have come to the conclusion that a standard of purity cannot be applied to the spirits made in this country, or to those imported from abroad, for, although some very impure spirits are imported, they seem to be all accounted for by their use as methylated spirit, and are not employed as beverages.

Bell, 3630–3632. Williams, 671, 672.

"B.—*Merchandise Marks Act.*

"28. Under this Act it is illegal to sell under 'a false trade description,' such as giving a false account of the place or country in which the goods are produced, or as to the materials of which they are composed. Under this Act, we think that both the Inland Revenue and the Customs might make rules for preventing palpable frauds by more precise descriptions of spirits, so long as they remain in or are delivered from bond. For example, the present rules enable a person to mark his cask with the nature of its contents, such as 'Malt Whiskey.' The authorities would not allow a false mark to be placed on the casks with their knowledge, but it would be practically impossible for them to vouch that all blended spirits put in bond, did not contain mixtures of malt whiskey, or whiskey made from grain, or that they did not contain whiskies produced by patent stills. All that they can do is to prevent false descriptions, when they know them to be false.

Murray, 581–601. 619 *et seq.*; 608.

"29. In the case of rum, that name was long applied to the spirits coming from cane-growing countries. A cheap imitation of it is now made on the Continent, and it would be easy to label it as an imitation in the bonded warehouses, though it would be very difficult to follow it as an imitation, when it passed to the consumers. Your Committee think that it is a reasonable desire on the part of the cane-growing countries that their spirits should continue to be called 'Rum,' and that imitations of it should be labelled as imitations. In the bonded warehouse rum must be diluted to suit the consumer, as its import strength is 38 to 40 degrees over proof. This operation is unobjectionable; but the rum importers complain that Hamburg imitation rum is blended with the true rum, and they desire to prevent the mixture in bond. Such a mixture is now labelled 'Mixed Rum, E. & C.,' indicating that it is a mixture of European and Colonial rum. The amount of rum imported from our Colonies is between three and four million gallons, while the imitation rum from Germany amounts only to 278,000. Your Committee are of opinion that facilities should not be afforded by the Customs for making this mixture in bond, but that rum should be entered under that name when it comes from cane-growing countries, and that it should not be mixed with imitation rums in bond. But it would be impracticable to protect it from admixture, when out of bond, either by the wholesale vendors or by the publican, as there are no certain means of identifying such mixtures.

Williams, 664–670. Bell, 875–882. 1055–1059.

Lubbock, 3319.

Murray, 599. Williams, 664–670. Samuel, 1483–1488. Lubbock, 3324–3329.

"30. It is less practicable to give relief to importers of genuine brandy, because the spirits with which it is mixed are to a large extent made on the Continent and are blended before importation. Some kinds of whiskies approach brandy so nearly in composition and in taste, that they are no doubt used out of bond to dilute French brandies, but this admixture could not be detected with certainty by chemical analysis.

Williams, 656–670.

"31. Your Committee are of opinion that both the Inland Revenue and the Customs should support the operation of the Merchandise Marks Act, as far as they are able to do so, by taking precautions that spirits are not falsely described either as to their character or country of origin while they are in bond or delivered from bond. The authorities in charge of bonded

bonded spirits do not knowingly allow false descriptions, and have expressed their willingness to prevent them. But it must be borne in mind that the trade are against undue restrictions of description, and have got some of them removed. Your Committee have received representations from importers and from bonded warehouse keepers in this country, and further restrictions will hamper trade." Trower, 3053. 3079. Molyneux, 460–463. West, 168–216. 294–297. 308–310. 317–325.

Draft Report, proposed by the *Chairman*, read a second time, paragraph by paragraph.

Paragraph 1, *agreed to.*

Paragraphs 2—3, amended, and *agreed to.*

Paragraph 4, *agreed to.*

Paragraph 5, amended, and *agreed to.*

Paragraph 6.—Amendment proposed, in line 3, to leave out from the words "Pot-stills," to the word "malted" in line 5, and insert the words, "The evidence given by pot-still distillers is that only malt or malt and grain are used in the manufacture. There are 115 distilleries using malt alone, 42 using malt and mixed grain, five using in addition to malt and grain sugar and molasses, and four in which rice also is used. In 1889 the materials used throughout the country consisted of"—(The *Chairman*).—Question, That the words proposed to be left out stand part of the paragraph,—put, and *negatived.*

Question, That the proposed words be there inserted,—put, and *agreed to.*

Other Amendments made.

Another Amendment proposed at the end of the paragraph to add the following words: "The Inland Revenue are in possession of information showing the materials used in each distillery, but the Department deprecated the idea of publishing the ingredients employed by particular manufacturers on the ground that this would lead to the disclosure of trade secrets, and your Committee therefore decided not to press for the information"—(Mr. *T. M. Healy.*)—Question, That those words be there added,—put, and *agreed to.*

Paragraph, as amended, *agreed to.*

Paragraphs 7—9, amended, and *agreed to.*

Paragraph 10.—Question put, That the paragraph stand part of the Report.—The Committee divided:

Ayes, 5.	Noe, 1.
Mr. Boord.	Mr. T. M. Healy.
Sir Edward Harland.	
Colonel Hill.	
Mr. M'Ewan.	
Sir Henry Roscoe.	

Paragraphs 11—12, amended, and *agreed to.*

Paragraph 13, *agreed to.*

Paragraph 14, amended, and *agreed to.*

Paragraph 15.—Question put, That the paragraph stand part of the Report.—The Committee divided:

Ayes, 5.	Noe, 1.
Mr. Boord.	Mr. T. M. Healy.
Sir Edward Harland.	
Colonel Hill.	
Mr. M'Ewan.	
Sir Henry Roscoe.	

Paragraphs 16—19, amended, and *agreed to.*

Paragraph 20, *agreed to.*

Paragraphs 21—26, amended, and *agreed to.*

Paragraph 27, *agreed to.*

Paragraphs 28—29, amended, and *agreed to.*

Paragraph 30.—Amendment proposed, in line 3, to leave out from the word "importation" to the end of the paragraph—(Mr. *T. M. Healy*).—Question, That the words proposed to be left out stand part of the paragraph,—put, and *negatived.*

Paragraph, as amended, *agreed to.*

Paragraph 31, *agreed to.*

Question, That this Report, as amended, be the Report of the Committee to the House,—put, and *agreed to.*

Ordered, To Report, together with the Minutes of Evidence and an Appendix.

EXPENSES OF WITNESSES.

NAME OF WITNESS.	PROFESSION OR CONDITION.	From whence Summoned.	Number of Days Absent from Home, under Orders of Committee.	Allowance during Absence from Home.	Expenses of Journey to London and back.	TOTAL Expenses allowed to Witness.
				£. s. d.	£. s. d.	£. s. d.
Mr. Alfred Allen	Surgeon	Sheffield	2	4 4 –	2 6 10	6 10 10
Mr. John MacGilchrist Ross.	Surgeon	Alness, N. B.	4	4 4 –	7 15 –	11 19 –
Mr. James Scott	Surgeon	Wishaw, Lanarkshire	3	3 3 –	5 10 3	8 13 3
Mr. James Dunlop	Distiller	Campbelltown	3	3 3 –	6 5 3	9 8 3
Mr. Laurence Malone	Distiller	Dublin	3	3 3 –	5 – 6	8 3 6
Mr. James Barr	Distiller	Belfast	4	4 4 –	5 7 6	9 11 6
Dr. Carter	Clergyman	Cookstown, Belfast	4	4 4 –	6 9 –	10 13 –
Mr. M. W. Wilkinson	Secretary, Irish Temperance League.	Belfast	4	4 4 –	4 – –	8 4 –
Mr. James Wilson	Distiller	Belfast	4	4 4 –	5 7 6	9 11 6
Dr. F. W. Pavy	Doctor of Medicine	For work done by order of the Committee, with the sanction of the Treasury	–	–	–	105 – –
Dr. Lauder Brunton	Doctor of Medicine		–	–	–	105 – –
		TOTAL £.		– –	– –	292 14 10

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MINUTES OF EVIDENCE.

Tuesday, 10*th February* 1891.

MEMBERS PRESENT:

Mr. Boord.	Mr. M'Ewan.
Sir Edward Harland.	Sir Lyon Playfair.
Mr. T. M. Healy.	Sir Henry Roscoe.
Colonel Hill.	Mr. Somervell.

THE RIGHT HONOURABLE SIR LYON PLAYFAIR, IN THE CHAIR.

Mr. W. COBDEN SAMUEL, F.C.S., called in; and Examined.

Chairman.

1604. YOU thought that a further investigation should be made on some points of your evidence given last Session; have you made that examination?—I have made some further examination.

1605. What was the object of your investigation?—It appeared to me that it was highly probable that fusel oil became the dominant factor in giving the characteristics to a spirit.

1606. Have you added fusel oil to spirits, in order to see whether it altered their characteristics?—I added fusel oil of one origin to spirits of another origin to see if the fusel oil added would affect the characteristics of the spirits to which I added it.

1607. Were the spirits to which you added it the pot-still or patent-still spirits?—Pot-still spirits; that is, they were principally composed of pot still.

1608. Your first experiments were on brandy, were they not?—On brandy.

1609. Did you examine the character of the fusel oil before you made the additions?—I did, and I found that it was a grain fusel.

1610. Did you estimate the percentage of amylic alcohol, and of the other higher alcohol in the fusel oil?—I did not.

1611. Your first experiments were to add fusel oil to brandy in cask; what proportion of the grain fusel oil did you add?—In the first experiment on the 20th of October last I added 0·5 per cent. of fusel to an ordinary brandy in cask.

1612. That was a large percentage?—It was a large percentage.

1613. What was the effect of that?—The effect of it was that in a very short time the brandy lost its entire characteristics as brandy, and became noticeable as being the grain spirit, or rather a spirit as if it were produced from grain.

Chairman—continued.

1614. In what manner did you ascertain that difference?—I submitted it to experts, and of the usual characteristics on the senses, smelling and tasting.

1615. A question of taste and of odour?—Yes.

1616. Did you try less percentages than that?—Seeing that this change was so rapid, and so very effective, I determined to try a smaller percentage, and I tried 0·1 per cent.

1617. That is to say, instead of 5-10ths per cent. you tried 1-10th per cent.?—Yes.

1618. What was the consequence of that?—The consequence was very similar to the previous experiment, except, of course, that the fusel oil was not so distinctly marked in it as in the other.

1619. But still it deteriorated the character of the spirit?—It either deteriorated it or changed it, whichever term you like to apply. It was brandy no longer, apparently.

1620. It deteriorated as brandy?—Yes.

1621. It lost the characteristics of pure brandy?—Yes.

1622. But it appeared by your previous evidence, if I recollect it, that brandies sometimes contained as much as 1-10th per cent. of fusel oil?—Sometimes as much as 1-10th.

1623. And, therefore, do you assume that fusel oil to be the same as the grain fusel oil?—I do not; I assume that fusel oil is different according as it originates.

1624. That 1-10th per cent., for instance, of fusel oil got from grapes might be in brandy, without altering its character, and that 1-10th per cent. added from grain fusel oil did alter its character?—Quite so.

1625. Did you do the same with rum?—I did the same with rum, but only in glass, not in cask;

 I had

Chairman—continued.

I had not the opportunity of applying it in cask; but I found that there the fusel oil had a superior action to the other fusel oil, and did, apparently, alter it.

1626. Did you get any fusel oil from grapes?—No, I did not.

1627. I mean so as to see whether additions of that caused some change in the brandy or the rum?—Up to now I have not been able to do that; it is only recently that I have found out what the effects are.

1628. What conclusion do you draw from these experiments?—Would you allow me to read my conclusion?

1629. Certainly?—It appears to me that as this change occurs both in cask and in bottle it is a change brought about simply by the addition of the fusel. It seems reasonable to suppose that the grain fusel on addition became the dominant factor as to the ultimate character the mixture should assume. The nature of the change would appear to be somewhat different to that exercised on the fusel contained in spirit in cask, either from oxidation or by the selective absorption of component parts of the fusel oil in preference to the spirit by the porous wood. As a general result of these experiments I am of opinion that spirits possessing natural distinctive characteristics owe those characteristics, in the first instance, to the presence of the fusel oils natural to their origin, and that if a sufficient quantity of a fusel of a different origin be added to them their identity may soon become a thing of the past.

1630. In other words, you think that the processes of fermentation and the processes of distillation regulate the peculiarities of the spirit which comes from them?—So far as pot stills are concerned.

1631. Did you examine whether the grain fusel oil which you used consisted chiefly of alcohol, or with alcohol with any aromatic ethers?—It was a common commercial fusel; I did not chemically examine it.

1632. I suppose you are speaking of rums as the real and natural rums, and not those which are sold under the name of rums which come from Hamburg and other places?—Quite so. It was stated, I noticed in the evidence, that molasses were imported to Hamburg for the purposes of the manufacture of rum, and therefore there might be supposed to be some difficulty in stopping Hamburg rum under that description. I find that molasses are also imported into this country, but that the spirits made from molasses do not possess the usual characteristics of West Indian rum.

1633. Then your general conclusion, if I follow you rightly, is that the fusel oils are of a very varying character according to their origin?—Quite so.

1634. And that it is the variety of their character which determines the flavour and the aroma of the spirits which are made from the materials?—That is my opinion.

1635. But would you limit that remark to pot-still whiskies?—I think that patent-still spirits have no characteristics whatever; so that I would limit it to pot stills.

Chairman—continued.

1636. You mean that the patent-still spirits are practically pure spirits with very little fusel oil or other substances?—Practically, pure silent spirits.

1637. Therefore your remarks are exclusively directed in these experiments to pot-still whiskies?—Quite so.

1638. In the pursuit of your experiments with natural whiskies and natural brandies and rum, have you attempted to determine the quantity of aromatic ether as distinguished from the amylic and higher alcohols?—I have made no further experiments in that direction.

1639. Is it your belief that the fine flavour of certain whiskies, and of brandy and of rum, may possibly depend more upon the aromatic ethers than upon the amylic and higher alcohols?—More upon the aromatic ethers, which, in my opinion, are developed from the fusel oil and the higher alcohols by keeping.

1640. Would it not be very important, if possible, in the analyses of these pot-still spirits to ascertain how much of the aromatic ethers or the other compounds are present in addition to the higher alcohols?—It would be very important.

1641. But up to this time that has not been done?—I think you will find it has been done by someone else, later on; but it has not been done by me at present.

1642. You think we shall be able to get evidence on that subject?—I am satisfied you will.

1643. You gave us on the last occasion that we sat some interesting evidence upon the effects of different kinds of spirit upon yourself; have you had occasion to repeat these?—Will you allow me to read again the answer to that question?

1644. Yes, certainly?—You will recollect that in former experiments upon myself I consumed four fluid ounces per day for five days of a very fine fifteen-year old brandy, containing 0·6 per cent. of fusel. To ascertain how far the quality of the brandy may have affected the results, and to spread a similar experiment over a longer time, on the 30th October I commenced to drink an ordinary brandy to which I had added 0·5 per cent. of fusel, and from the 30th October to the 20th November inclusive (except Sundays), 19 days in all, I consumed three fluid ounces per day, proof strength; *i.e.*, 57 ounces of brandy, containing five times as much fusel as is contained in ordinary British or foreign spirits. This would be equivalent to 285 ounces of ordinary proof spirit, so far as the amount of fusel is concerned, and, seeing that spirit is usually sold under proof, a somewhat increased quantity.

1645. What was the nature of the fusel oil that you employed in that case?—A grain fusel, commercial grain fusel.

1646. A common grain fusel?—Yes.

1647. What was the result from that?—Nothing more than would have affected me in ordinary spirit drinking; it was rather nauseous and objectionable. I experienced no injurious effects from it so far as I am aware.

1648. Then did you make experiments with pure spirit in the same quantities without the fusel oil?—I did not repeat that experiment; I tried

to

Chairman—continued.

to find a substitute to experiment on. My assistant took it for three or four days, but he was taken so ill that he was obliged to give it up.

1649. That is scarcely evidence, unless he comes forward?—He is here now, if you like to ask him personally the results. That was a rectified plain spirit.

1650. You were afraid of headache in your own case?—Yes; I was quite satisfied so far as my own individual self was concerned last time upon that point.

1651. I have no doubt that you are aware of the numerous researches on the Continent upon this point?—I know there have been some.

1652. You are aware that some of those who carried out those researches came to the same conclusion as yourself, that ethylic alcohol was more injurious than these spirits containing the higher alcohols?—Well, I was not aware of that conclusion.

1653. But that a good many others have given exactly the contrary opinion?—I am not cognisant of that.

1654. But perhaps you know the general result, that the opinions upon this subject vary considerably, although a very extended series of researches have been made, both on the Continent and partly in this country?—I understand there is a difference of opinion.

1655. Are you aware that ether drinking has prevailed, especially in Ireland, in recent years?—I learned that from the public press, from investigations which have been recently made.

1656. Did you read a rather interesting article upon that subject in one of the monthly reviews lately?—Yes, in the "New Review."

1657. Have you made any experiments upon yourself with ether?—I made repeated attempts to drink ether in the ordinary state in which we have it at the laboratories at work, pure ether; but with the exception of three or four occasions I signally failed to drink it.

1658. Did you try to get it in by gelatine capsules, or any other method?—I subsequently took it in gelatine capsules.

1659. And what effect had it then?—You have to take such a large number; there is such a small quantity in a capsule that one could hardly judge the effect, but when I once succeeded in taking about a tablespoonful the apparent effect was that you had a ball of ice for a minute or two in your stomach, which was caused, I assume, by the evaporation of the ether.

1660. And then did no stimulating effects follow?—There was a great dissipation of wind immediately; and it seemed to me that it possibly might cause that, even.

1661. But no pleasant stimulating effect?—There was a stimulating effect, but nothing extraordinary.

1662. You did not take enough to know whether intoxication could be speedily produced by it?—Yes, I think it could be very speedily produced by it; it was enough for that.

1663. Then afterwards you sent to Ireland, did you not, for a sample of the ether as drunk?—Afterwards I sent to Ireland to procure a sample of ether.

Chairman—continued.

1664. Such as was taken?—Such as was taken in the country.

1665. And did you examine that ether?—I examined it.

1666. What did you find that it consisted of?—I found that it was not pure ether, but that it consisted of a mixture of ether and alcohol.

1667. Did you detect any evidence that it had been made from methylated alcohol?—That was my opinion, that it had been made from methylated alcohol.

1668. But you did not perceive it in the smell?—The odour of the ether is so difficult to absolutely get rid of that I would not like to affirm that on the smell alone.

1669. Do you know from your inquiries whether intoxication by ether still goes on much in Ireland?—I have no doubt it does.

1670. Are you aware that it is now scheduled as poison under the Adulteration of Food Act in Ireland?—I am aware that it was to be so; I did not know that it had come into force yet.

1671. Then your experiments with ether were rather negative than positive?—They were negative.

1672. Have you ever made any experiment with whiskies which are said to be officially artificially aged?—I have inspected whiskies which have been said to be artificially aged, having several samples placed before me of the same whiskies and samples that have been aged artificially at the same time, and there was no difficulty whatever in detecting which had been operated upon.

1673. And do you know how that artificial age was produced?—I was informed that it was by passing ordinary air through the liquid.

1674. At a common temperature?—At an ordinary temperature, I believe.

1675. And what did you find the differences to consist in?—There was a notable difference in the whisky, but I do not think that the whiskey which had been operated upon had the mellowness of an old whiskey; it seemed to have lost something, but not to have obtained the mellowness.

1676. Were they more agreeable in aroma or in taste?—The aroma I should say was not so good, but they were less pungent to the taste, less strong and raw.

1677. Would you have considered them as old whiskey if you had tasted them?—No, I should not.

1678. But were these samples given to you as having been operated upon in this way?—They were not given to me; I went on purpose to an exhibition that was held of these samples.

1679. And how did you get hold of the original whiskies from which they had been made? They placed before you in bottle whiskey which had not been operated upon, and the same whiskey which had been operated upon, and you had to decide which was which.

1680. And did you find that there was any percentage of difference in the fusel oils in them?—I did not examine them except as to taste and smell, and the common characteristics.

1681. Then there was no analytical test?—There was no analytical test.

 1682. I think

Sir *Henry Roscoe.*

1682. I think you stated in answer to the Chairman that you had not made any experiments with regard to the existence or the action of the aromatic ethers which are contained in whiskey?—That is so.

1683. But I understood you to say that you thought these aromatic ethers were the result of the chemical action on fusel oil?—Yes.

1684. Have you any evidence for that?—Merely the ordinary evidence, proved from the fact that an old whiskey or old spirit possesses more mellowness and more of these odours than does a new one.

1685. But is that in your opinion sufficient evidence to bear out the conclusion to which you have arrived?—I think that that, in combination with the general circumstances that are known, makes it a fair assumption.

1686. Are you aware that these aromatic ethers are almost all ethyl compounds and not amyl compounds?—Quite so.

1687. And, if that is so, how do you account for their formation from the fusel oil?—Fusel oil has varying constituents. I am not prepared to fix on any one of the constituents, like amyl, as being the origin of it.

1688. But you also, I think, have not taken into account the acids which are contained in the whiskey?—As a rule there is a very small proportion indeed of acids present in whiskey.

1689. Is it not that small proportion of the acids in whiskey which gives rise to the aromatic ethers?—Acids are more or less accidental in whiskey, I think, rather than otherwise.

1690. Do you not always find in all these pot-still whiskies a very notable amount of acids?—You are more likely to find acids in a pot-still whiskey than in another whiskey, because of the amount of air that sometimes gets into the worm on account of the slower distillation; you are more likely to have acids from pot-stills than from other whiskies.

1691. But you have not determined, and you do not give the Committee any information, on the point of the amount of the acids?—No, I have never determined that.

1692. Of course, if the fusel oil becomes oxidised it will yield an acid which may combine with the ethyl and form an aromatic acid in that sense; the fusel oil may be the origin of that?—Yes.

Chairman.

1693. As to the acid which comes from the oxidation of fusel oil uniting with the ethyl and making valerate of ethyl, does not that form an aroma which is sold in commerce under the name of the essence of jargonelle pears?—Yes; the flavour is more particularly marked when mixed with a large quantity of alcohol than when it is in its free state.

Sir *Henry Roscoe.*

1694. Then I understand that you do not give us any evidence as to the variation, or otherwise, of these constituents in whiskies kept for a certain length of time in bond; you do not propose to offer any evidence on that point?—I do not propose to offer any evidence on that point, because it appears to me utterly impossible to give any valuable evidence on the point, unless you start with the same whiskey in its youth and follow it up to old age, which is impossible under existing circumstances for your Committee.

Mr. *Somervell.*

1695. I am not very clear in my mind what is the difference between ether and ethylic alcohol?—Ethylic alcohol is your ordinary drinking spirit; ether is the product of sulphuric acid and ethylic alcohol.

1696. Then as to this drink in Ireland, was that mixed?—No; chemically operated upon and distilled.

1697. And then mixed with ethylic alcohol?—There was ethylic alcohol in it; free ethylic alcohol, about 20 per cent.

1698. With regard to the aromatic ethers in new whiskey, what head of your analysis would they come under?—Unless those aromatic ethers were saponified beforehand, they would undoubtedly be counted under the head of fusel oil.

1699. If you took an old whiskey and analysed it, would not the fusel oil, though it had become aromatic ether under the analysis, come under the test that you apply for fusel oil, and therefore be brought out as converted fusel oil, as far as the test is concerned?—Under the usual tests that is the case, because no precaution has been taken to saponify the ethers before applying the test.

1700. So that in an old whiskey where you have a percentage of fusel oil, as a matter of fact that per centage may nearly all consist of fusel oil which has been converted into aromatic ether?—It might possibly, if that precaution were neglected.

1701. So that, as far as the analysis goes, there is no security; it may be aromatic ether and not fusel oil which the old whiskey contains; the fusel oil may practically have disappeared in the old whiskey?—Up to the present there would be no security whatever that you had a just estimate of it.

1702. No security that it had not either disappeared or practically entirely changed its character?—Quite so.

1703. Have you tested any new patent still-grain spirit and an old one; have you had samples of a new and an old one, and compared them?—Not that I am aware of; I did not know the ages.

1704. So that you have not any evidence to give as to the difference in the taste of a new and old grain spirit?—You are speaking of a patent still spirit. A patent-still spirit consisting entirely of spirit and water, the general assumption is that it does not undergo a change in any manner.

1705. But you have not tested from a grain distillery; you have not had samples of old and new ones sent to you?—No, I have not.

1706. The spirit that your assistant took was pure ethylic alcohol?—Yes.

1707. Do you know what that was originally distilled from?—It was a rectified plain spirit; I could not tell its origin.

1708. But when it was rectified the origin would

Mr. *Somervell*—continued.

would be immaterial?—The origin is lost undoubtedly then, and it is probably immaterial.

709. You think that the origin so far as ethylic alcohol is concerned is immaterial; so far as the origin of the fusel oils is concerned you think the origin is very material?—In connection with pot-still spirits.

1710. Or in any spirit that contains fusel oil?—Yes, in any spirit that contains fusel oil.

1711. But is it your opinion that, so far as ethylic alcohol is concerned, I mean the origin of a spirit containing no fusel oil, or practically all ethylic alcohol, then the origin is immaterial?—I think when the spirit is pure ethylic alcohol and water, the origin is perfectly immaterial.

1712. In whiskies or spirits that are made from patent stills from raw grain in this country, there is a certain amount of fusel oil I think?—The traces are so minute as to be practically nil; the strength is something like 60 over proof if you recollect.

1713. Do you know whether we shall have any evidence in regard to the effect of age on these raw grain spirits?—I spoke to Mr. Allen this morning, and I understand that he has evidence on the point which is not quite matured at present. He would like longer time.

Colonel *Hill.*

1714. If I understand you rightly you attribute the mellow taste, and the pleasant flavour and odour of old whiskey, in preference to new fusel oil which had changed its character to aromatic ether?—Yes.

1715. Supposing you had added to the patent still whiskey the same proportion of fusel oil, and it were kept the same length of time, would the same effect be produced?—I think you would approximate towards that effect. I think there is something besides; some sort of body besides.

1716. That would help it, you mean?—In the pot still.

1717. Then would you consider it a good thing to do to blend the patent-still whiskey with the pot-still whiskey; for instance, to put new pot-still whiskey into new-patent still?—I understood your question to mean, would it improve the pot-still. I think it is an advantageous thing to do from the point of commerce for the patent-still spirit, but I do not think it would improve the pot-still, except so far as it would water down the quantity of fusel in it; that is to say minimise it.

1718. But it would give it, in this case, flavour?—The pot-still would impart to the patent-still a whiskey flavour undoubtedly.

1719. And if kept it would develope into very much the same description of spirits?—It would develope very much on the same lines.

1720. Do you think the addition of pot-still to patent-still whiskey produces a fluid which is more wholesome to drink without the maturing process?—I hardly am in a position to give an opinion upon that point. Supposing there were a large excess of fusel in the pot-still, there is no doubt you would have less fusel to drink.

Colonel *Hill*—continued.

1721. I thought I recollected from your former evidence that the experiments which you made, without the fusel oil, produced injurious effects?—Yes.

1722. Therefore, I concluded that if you were to introduce the pot-still spirit, which has fusel oil, into the patent-still spirit which has not fusel oil, you would produce a more wholesome spirit?—I took it that your question applied to the question of the pot-still; it would produce a more wholesome spirit as far as the plain spirit is concerned.

1723. Would you kindly tell me whether the passage of the heated air, which was the process you described that you used for giving the character of age to the whiskey, would quicken the decomposition of the fusel oil?—I did not say that it was heated air; I said ordinary air. I am only able to judge of what was placed before me, and certainly the spirit had undergone a considerable change, but I do not think it was a change which the palate or the nose of a connoisseur would recognise as age or mellowness.

Mr. *Boord.*

1724. You said, speaking of the manufacture of rum, that molasses were imported into this country; have you any means of knowing in what quantity?—I could not tell you at the present time, but I have no doubt such information could be obtained in the Customs.

1725. And also the amount of spirit produced from that quantity of molasses?—Yes.

1726. Do you think that rum, so called, is really distilled from molasses, or is it plain spirit?—It partakes very much of the nature of plain spirit, undoubtedly.

1727. What I mean is, do you think it is used as plain spirit, or sold as rum?—I have seen it come out a very highly coloured spirit, so that I assume it would not be sold in that case as plain spirit.

1728. The suggestion has been made that it is sometimes purified, so as to be sold as whiskey?—Yes, I know that has been suggested.

1729. You spoke of the difficulty in taking ether?—If you attempt to take ether in its natural strong state, without any dilution of the spirit, the eyes water, the mouth closes on it, and there is an absolute kind of natural revulsion to the whole thing, which seems to shut it out.

1730. You cannot swallow it, in fact?—That is to say, in any quantity.

1731. It will not mix with water?—It is almost immiscible with water. There is such a thing as ether water; by shaking up large quantities of water with small quantities of ether, the water seems to take a very small quantity of it up.

1732. Then your theory is that if ether is used as an intoxicant anywhere, it is generally mixed with spirit?—I was induced to send over for some to Ireland to try it by drinking it; I thought I ought to be able to do what other people could do. I sent to Ireland and had a very small sample, and found it contained over 20 per cent. of proof spirit.

Mr. *Boord*—continued.

1733. As to the ageing of whiskey, by passing air through it, I suppose that would have the effect of abstracting the alcohol, and therefore diminishing its strength?—I should say that would be the effect.

1734. That would be the apparent ageing effect, simply reducing its strength?—That is probably so.

1735. You have not found any considerable quantity of acid in whiskey?—I have not tested it quantitatively for acid; but I have not found any considerable quantity.

1736. And yet if the theory of ageing is correct, the operation of fusel oil on aromatic ether must be effected by means of acid?—The fusel oil may break up into amyl acetate, and that again, by dilution with alcohol, becomes an ether.

Chairman.

1737. Upon that subject I would like to know your opinion on this: It was given to us in evidence the last time we met that fusel oil does not diminish in old as compared with new whiskies; that old whiskey has no less fusel oil than the new whiskey of the same kind has?—I think it was generally understood that the whiskey, to which Dr. Bell referred, was not one and the same whiskey; and that therefore by trying one whiskey now which is new, and another which is six years old, the one which is six years old might have had six times as much fusel to start with, and therefore there would have been no value in such records, unless they are consistently conclusive throughout a large series of experiments.

1738. Of course it is very difficult, in a short time, to obtain the original whiskey, and the bonded whiskey also?—Yes, we would have to start on the whiskey now, and follow it up henceforth.

1739. But in a large series of observations?—In a large series of observations; that would give some clue.

1740. If you find that new whiskey and old whiskey have just the same amount of fusel oil in them, would not that make it apparent that they had not undergone any change in bonding?—If you are so satisfied that you understand fusel, and the estimation of it, that would be the conclusion.

Chairman—continued.

1741. But the comparison was the same in both cases, was it not?—I do not think any precautions hitherto have been taken to saponify these ethers, and, I think, the ethers have counted as fusel in their old age.

1742. You say that we can get evidence as regards this; if it is found that the fusel oil remains the same in a large number of new and old whiskies, is there any proof that the fusel oil has been changed to any material extent in bonding?—If you had that evidence, there would be no material proof that it had been changed in bonding.

1743. In regard to the experiment which you gave us in your last evidence, about the effect of plain spirits, you found that plain spirits, or pure alcohol and water, gave you headache and did not agree with you?—I suffered immediately from acute indigestion.

1744. And you thought that the addition of fusel oil to the spirit which you took, was the cause of your not having a headache?—I am not aware that I gave expression to that opinion, but I put down, as a fact, that the difference of the two was that on my constitution.

1745. What was the inference to be drawn from that fact?—The probable inference would be that as the one did not contain fusel and the other did, the absence of the fusel did it.

1746. Headache supervened in the case of pure spirits, and not in the case of the spirit to which you had added fusel oil?—Quite so.

1747. I asked you this at Question 1347: "This was plain alcohol without fusel oil?—(*A.*) Pure alcohol and water." And then I asked you, "You had not had time to add a little fusel oil to that to see what would be the effect?" and you said, "I had not; I ceased that last night." (*Q.*) "Do you think it would be desirable that these experiments should be repeated by others?" and you said "Yes." Have you since that tried whether you could take the same spirit which gave you a headache, with a little fusel oil added?—No, I have not yet tried anything additional with plain spirits.

1748. Therefore, in the present condition of things the experiment is still imperfect, and we ought to have physiological evidence on the subject?—Quite so.

Mr. Alfred Henry Allen, called in; and Examined.

Chairman.

1749. You are a Fellow of the Chemical Society, are you not?—I am.

1750. And of the Institute of Chemistry?—Yes.

1751. Were you at one time President of the Society of Public Analysts?—Yes, during the years 1887 and 1888.

1752. What is your position now in Sheffield?—I am a consulting and analytical chemist, and I am Public Analyst for the West Riding of Yorkshire, the northern division of Derbyshire, and the County Borough of Sheffield.

1753. Then, generally, I may say that you have had a large experience in commercial analysis?—Yes, and have given some special attention to alcohol and other organic products. In fact, I am the author of a well-known work, in three volumes, on the subject of Commercial Organic Analysis.

Chairman—continued.

1754. That is used as a standard work frequently, is it not?—Yes. The second edition is out of print.

1755. Have you lately specially had your attention directed to the composition of whiskies?—I have. I was led to pay attention to the matter last June, in consequence of a case where whiskey

Chairman—continued.

was alleged to have caused injury to the health of the consumer. It was alleged to contain a considerable per-centage of fusel oil.

1756. It was an Irish whiskey, was it not?—It was an Irish whiskey supplied by a well known firm, and a county court action was brought against them for injury to health; and as the result an analysis was made for the purchaser, and I analysed for the distillers.

1757. That is a case that some of the other members of the Committee may have read; I have read carefully that trial; the plaintiff always took two glasses of whiskey before he went to bed?—I think he did, or more perhaps.

1758. And complained that he had severe pains in his intestines after taking them?—Yes.

1759. The action went against him?—Yes. I found about ·07 per cent. of fusel oil in the sample, and the purchaser or consumer's analyst, found about three times as much.

1760. Did not the court direct that there should be a joint analysis between you two?—Yes; at my suggestion we made a joint analysis, with the result that my analysis was confirmed; and we agreed that this disputed whiskey contained ·07 per cent.; that would be 49 grains to the gallon of fusel oil; and the decision was therefore given in favour of the distiller.

1761. That it was, in fact, normal whiskey, with no abnormal impurities?—That it was normal whiskey, and had not caused the injury alleged. I may say that, in looking up the matter, I found that up to that date the reliable information on the subject of fusel oil in whiskey was extremely scanty. There seems to have been some alchemist, about the year one, who talked of a large quantity of fusel oil in whiskey, but there is not a single published figure in proof of its presence in large proportion. Sir Charles Cameron analysed a sample of "poteen" from an illicit still, and he found 0·23 per cent. of fusel oil; but that whisky was 25° overproof; so that if you were to consider how much fusel oil there would be if it had been of proof strength you would have to reduce it by one-fifth, and it would come to 184-1000ths instead of 230-1000ths.

1762. And in addition to that, I think Sir Charles Cameron found aldehyde also?—Yes, he found aldehyde also in considerable quantity.

1763. Were there not experiments made after that by another well-known chemist in this country, Dupré?—Yes; Dr. Dupré analysed four samples in 1877. Those are all the results I can find recorded. In one sample of Scotch whiskey he obtained 95-1000ths. That is equal to 68½ grains per gallon. In a sample which he described as "Cape Smoke" he found 120-1000ths, equal to 84 grains per gallon, and in a sample he described as "Common Samsho" he found 90-1,000ths per cent., or 63 grains per gallon, and in "Fine Samsho" 65-1000ths, 45·5 grains per gallon.

1764. That is to say, at that time, early in analysis, he found rather above what is found now?—Yes; I do not rely implicitly on Dr. Dupré's figures. They were made by a process to which I think exception could be taken, though it was a very ingenious one of its kind.

Chairman—continued.

1765. In consequence of the few experiments made upon the analysis of whiskey, you gave your own personal attention to it?—Yes, in all cases I may say that the figures in the table marked A., which I have handed in, were calculated by me on 100 parts of proof spirit. I have manipulated Dr. Dupré's figures in order to bring them into comparison. I wanted to compare this sample of whiskey which was in dispute, and had no data to go upon, and therefore I obtained and analysed some typical samples of Irish whiskey for comparison.

1766. And what were the results calculated upon proof strength; what was the quantity of amylic alcohol?—One sample gave 77-1,000ths, equal to 53·9 grains, per gallon; the next 114-1,000ths. equal to 79·8 grains per gallon; the third 61-1,000ths, equal to 42·7 grains per gallon; the fourth 69-1000ths, equal to 48·3 grains per gallon; the fifth 78-1000ths, equal to 54·6 grains per gallon.

1767. Except in the case of No. 2, they were all very nearly the same?—They were all very nearly the same; 6 or 7 in the second decimal place.

1768. Except the No. 2, which was higher?—Yes. Since then I have examined two samples of Irish whiskey from the same distillery which are professedly parallel samples, one new and one old, and found in those 87-1,000ths, equal to 60·9 grains per gallon, and 80-1,000ths, equal to 56 grains per gallon; so that the new and old are nearly the same.

Mr. *Healy.*

1769. What was the age of the old?—From memory I cannot say; probably about three years; it is described as "old"; I will look it up in my notes. All these figures showing the number of grains per gallon are obtained by multiplying the percentages by 700.

Chairman.

1770. Did you make similar experiments with Scotch whiskies?—Yes; a sample of new Scotch whisky showed 85-1000ths per cent., equal to 59·5 grains per gallon; the old from the same distillery showed 80-1000ths per cent., equal to 56 grains per gallon.

1771. Do you know how old the old whiskey was?—I can add all those particulars afterwards. There is a third sample of new Scotch whiskey containing 62-1000ths per cent., equal to 43·4 grains per gallon.

1772. Were these pot-still whiskies?—The Scotch were all pot-still whiskies. With regard to the typical Irish whiskies, I cannot tell you any details.

Mr. *Somervell.*

1773. These Scotch ones were got from a distillery?—They were given me by a Scotch distiller of pot-still whiskey.

Mr. *Somervell*—continued.

1774. From malt?—Yes.

Chairman.

1775. Is your percentage that of amylic alcohol or fusel oil generally?—I should like to call the figures I have given "*apparent* amylic alcohol," obtained by the process which has usually been adopted till quite recently, and which I believe gives results gravely in excess of the truth, that is to say, it gives the maximum proportion which can be present.

1776. Then, so far as the Irish and Scotch went, those are nearly the same; on the whole, the Scotch are a little higher in fusel oil?—It must be a very trifling difference. The Irish whiskies vary more than the Scotch perhaps, but I should not say that the Scotch were higher.

Colonel *Hill.*

1777. The average of the Irish seems to be higher?—Yes, I should say that the average of the Irish was a trifle higher. The figures speak for themselves on that point.

Chairman.

1778. Perhaps you have looked at the evidence given last Session upon the percentage of amylic alcohol in new and three-year old whiskies of different kinds?—Dr. Bell's you mean? Yes.

1779. And your results differ not very greatly from those?—No, the results for the pot-still whisky given by Dr. Bell from the four distilleries, called by him A, B, C and D, all range within the limits that I have already mentioned, except that one old sample from distillery A goes up to 140-1,000ths, that is 98 grains per gallon. I see there is a second one of 140-1000ths from distillery C; but substantially the results I have arrived at are similar to those given by Dr. Bell.

1780. If you multiply the numbers you have given by ten, will not that give you the number of grains of fusel oil contained in a wine glass?—Yes; that is to say, if you multiply the percentages. The percentage of fusel oil multiplied by ten gives approximately the grains of fusel oil in a wine glass of spirit, an ordinary sherry glass, such as one is apt to use for measuring such things.

1781. What would that be in a glass of spirits; how much, taking a grain as a drop, would it be?—It means a three-fourths of a grain to a grain-and-a-quarter of fusel oil in a glass full of whiskey.

1782. In the distillation of pot-still spirits, does the fusel oil ever get out by any fractionating process?—No; the process of manufacturing pot-still whiskey is to ferment the infusion of the malt and distil that fermented infusion, by which as a first product they get "low wines." These low wines are distilled in another still, by which they obtain four fractions. One is called "foreshots;" the second, "clean whisky;" the third, "feints;" and the fourth, "spent lees."

1783. There is always a certain amount of fusel oil that remains in the spent lees?—I daresay there is a good deal left in the spent lees, but the spent lees are thrown away, because they are worthless.

1784. And in the feints, is there any left?—

Chairman—continued.

These is fusel oil in the feints, and in the foreshots.

1785. And what becomes of the feints and foreshots?—The feints and foreshots are put back again into the first still.

1786. Ultimately there is no fractionation, because all goes back into the still?—The ultimate products are clean spirits and spent lees.

1787. You mean by clean spirits, whiskey?—Yes, whiskey; it shows no evidence of containing fusel oil by becoming milky whan diluted with water.

1788. Do the results you have got with Irish and Scotch whiskies compare favourably with the results of some spirits made abroad?—Yes, very favourably I should say. I have some figures here, obtained by a Hungarian observer, Szilagyi, who found in raw Hungarian spirits from various sources the following proportions of fusel oil: from potatoes he found 13-100ths to 16-100ths per cent.; turnips, 39-100ths to 42-100ths; maize, 11-100ths; mixed maize and potatoes, 8-100ths; and molasses, 18-100ths.

1789. And are they sold in that condition, and consumed in that condition, without keeping?—They are no doubt sold, but I am not sufficiently acquainted with the Hungarian spirit trade to answer that question fully; but what I wish to call your attention to is, that these are raw spirits which have not been fractionated, and we may compare those with whisky which we admit undergoes no particular fractionation.

1790. And that is pot-still whiskey?—"Whiskey," without qualification, means pot-still whiskey; but whiskey is a product from barley, not from potatoes and turnips.

1791. In all these estimations of yours you take amylic alcohol to be the general characteristic of fusel oil?—Yes; it is the characteristic constituent, just as ordinary alcohol is of spirits of wine. The fusel oil from different sources varies in its composition, especially that from grapes; but, although these variations occur, they do not very materially affect the estimation. You may assume it to be amylic alcohol, and you get a reasonably close approximation to the truth.

1792. Have you ever been able to estimate the amount of aromatic ethers in fusel oil or in whisky?—Yes; I have made a limited number of experiments in that direction. If the Committee gives me another opportunity, I think I can give a considerable number of figures of that kind before it finishes its sittings; but there is a difficulty attached to that, because the process for estimating the ethers is apt to include aldehyde and similar bodies; and, though you can get the ethers and aldehyde together out of the spirit, and get an approximate idea of their joint amount, I should not like to tie myself down to saying that the results so obtained estimated strictly the ethers and did not include the aldehyde. But you can by that treatment remove the aldehyde and ethers together, and so remove the bodies which interfere with the accurate estimation of the unchanged amylic alcohol; so that we get a better estimation of fusel oil; and that difficulty I think I have overcome.

1793. What

Mr. *Somervell.*

1793. What is aldehyde?—The product of the oxidation of ordinary alcohol; alcohol dehydrated; a body intermediate between alcohol and acetic acid.

Chairman.

1794. It is an offensive product?—It has a peculiar, and what some people might consider a more or less offensive smell.

Mr. *Somervell.*

1795. Is it apt to interfere with the estimation of fusel oil?—It is not apt to interfere with the estimation of fusel oil; but the ethers distinctly do interfere with the estimation of fusel oil. The ethers are part of the fusel oil. If fusel oil means all the oily stuff you can get out of spirit, the ethers are oily. But we must not, on that account, conceive them to be objectionable; they are the very things which give the spirit its peculiarity and aroma. Changed amylic alcohol converted to ethers nobody would hold to be anything but what is desirable.

Chairman.

1796. I see by your analyses, which correspond to those which have been given to us before, that there is very little change in the amount of fusel oil between new and old whiskey?—That is calling all these compounds fusel oil; then there is very little change; but, if you eliminate the ethers, there is a very marked difference. I have a limited number of figures of that kind; I shall be able to add to them in a few days' time; but here are two specimens showing it in a very marked manner. Here is a specimen from one of the typical Scotch distilleries, a specimen of new pot-still whiskey from there, and the apparent amylic alcohol, as estimated by the process we chemists have usually adopted, comes to 59-1000ths, that is ·059 per cent.; but the real amylic alcohol in it, eliminating the ethers, comes to 46-1000ths in one experiment, and 43-1000ths in another, showing that there were ethers present; and the corrected result is less than it was before.

1797. How did you estimate that, by permanganic acid?—No; the process consists, first of all, in removing the extractive matter by distillation, then removing the ethers and aldehyde by boiling with soda, and the amount of soda which those ethers neutralise by their saponification gives you an estimate of their amount. The ethers having been destroyed in that way, and the spirit again distilled, the distillate is diluted considerably and shaken out with chloroform or tetra-chloride of carbon. A number of my experiments were made with chloroform, which I found unsuitable for various technical reasons; the difficulty of obtaining it pure, and so on; and I have replaced that by the tetra-chloride of carbon; this tetra-chloride of carbon takes out all the unchanged amylic alcohol, but the changed amylic alcohol has been left in combination with the alkali, as valerate of sodium; so we are not troubled with that at all. Then this solution of the amylic alcohol in the tetra-chloride of carbon is oxidised with chromic-acid mixture, a mixture of bi-chromate of potassium and sulphuric acid, and that converts the amylic alcohol into valeric acid, and that is distilled away

Chairman—continued.

when the process is finished together with the tetra-chloride of carbon which comes over with it. Then that is neutralised by standard baryta water, which converts it into valerate of barium. You know the amount of valeric acid in this from the amount of baryta consumed, and from that the amount of amylic alcohol, and therefore the amount of unchanged fusel oil. You know that it really is valerate of barium by evaporating the liquid to dryness, and weighing the barium salt which is left; you know how much barium there was there, because you know how much you added, and hence you can calculate the amount of the valeric radical. On putting an equivalent amount of sulphuric acid to it, this valeric acid is liberated with all its characteristic properties.

1798. I am afraid the Committee scarcely follow you in that explanation, but what I will ask you is whether the ethers, the fragrant ethers, may not come from the fusel oil or from the oxidation of the fusel oil afterwards, in the process of keeping?—They are no doubt present to some extent in the original fusel oil, but they, I believe, are chiefly produced, or largely produced, by the after oxidation. That is indicated by the great difference in the apparent and the real amylic alcohol in matured whiskey; I have not given you that figure yet.

1799. Will you give us that?—Old whiskey, eight years old, from the same source, contained, of apparent amylic alcohol, 34-1000ths per cent., real amylic alcohol only 11-1000ths per cent., only one-third of that which is shown, apparently, by the old way. So that we have got down to this, that fully matured Scotch whiskey contains only 11-1000ths per cent. of real amylic alcohol unchanged.

1800. The rest being what?—Ethers.

1801. Do you think that empyreumatic oils may come into operation at all?—We generally class as empyreumatic oils things with a smell which we do not know anything about; so that I do not know how to answer the question.

1802. But what I understand by empyreumatic oils are oils that are changed by the action of heat upon them?—Or produced by the action of heat. Among those there is no doubt that the furfurol is a leading constituent. Furfurol is always found, in my experience, in pot-still whiskeys.

1803. In small quantities?—In small quantities, but it is there. If we had the two whiskies side by side we could say, "This is pot-still whiskey, this is silent spirit;" the one containing furfurol in a sensible quantity but very small, the other containing no appreciable quantity.

1804. No one would have the furfurol if they could help it; I mean furfurol has been found to be much more physiologically bad than the amylic alcohol?—There have been a limited number of experiments made on that subject, but I know it has been found to have a bad effect physiologically. But so has sulphuric acid, and so have a great many things if you take enough of them, which are only pleasant in minute quantities. Sulphuric acid, for instance, is the type of a corrosive irritant poison; but if you dilute it with a thousand times its measure of water, it is simply a pleasant acidulated, drink

Chairman—continued.

which will promote digestion. And the furfurol in whiskey is not diluted with a thousand times, but far more like a million times its measure of alcohol and water. The trace of furfurol in whiskey is interesting chemically, nothing else.

1805. And it may possibly affect the character of whiskey?—I doubt that; it has a pleasant ethereal smell, not disagreeable, and I doubt whether its presence affects it one way or other. One strong reason why I think that, is that it does not seem to be affected by age; it is in the 12 years old as much as in the new whiskey.

1806. I meant that it might add to the flavour of the whiskey?—It may add to the flavour beneficially, but that applies exactly the same to the new as the old.

Mr. *Somervell.*

1807. Is it not one of the things distinguishing pot-still from silent spirit?—I think there is sufficient furfurol perhaps; the minute trace of furfurol which exists in pot-still spirits may be sufficient to give it a special flavour, and thus distinguish it from silent spirit.

1808. It is one of the things?—Yes, it would contribute to the flavour.

Chairman.

1809. Then may I take it generally, that what you consider is, that you have established by your recent analyses that the proportion of amylic alcohol in matured whiskey is much smaller than has been supposed?—I have one or two other figures in the same direction, but I am of opinion that that is the case; that the unchanged amylic alcohol is much smaller than has been supposed, bringing it down in the case of matured whiskey to the proportion which is found in silent spirit.

1810. Furfurol can be easily detected by the colour which it produces with a mixture of oil of vitriol?—Yes, but I do not rely on that test; there are many much more delicate and satisfactory; I think no chemist would rely on oil of vitriol as a special test of furfurol.

1811. But it does produce a colour?—It does produce a colour with oil of vitriol.

1812. Did you find any aldehyde in whiskeys you have examined?—Yes, there have been doubtful traces of aldehyde in some of the whiskeys, but the quantity is very small, and I cannot say that I deduce any conclusion from its being there.

1813. The furfurol you said exists in an extremely small quantity in silent spirits, in patent still spirits?—So little that you can rarely find it at all.

1814. But do you find it in fusel oil from the patent still?—Yes, it is present in the fusel oil from the patent still.

1815. Showing that it has been removed by fractionisation?—Yes.

1816. Do you think that the amount of fusel oil in whiskeys has much effect upon the intoxicating character of the whiskeys, as between new and old?—No, I do not think that it has. I may say that there have been experiments made on amylic alocohol, which is the characteristic constituent of fusel oil, though perhaps fusel oil owes its deleterious character to other things; but

Chairman—continued.

taking amylic alcohol to start with, Rabuteau found it had 15 times the intoxicating effect of ordinary alcohol; but if there is only one drop in a glass full of ordinary whiskey, that means putting 15 drops in addition of ordinary alcohol into the glass, and you have got the same effect as if you had the amylic alcohol there.

1817. That is to say, it is the ethylic alcohol, which is the ordinary alcohol, that is in such great predominance and produces an intoxicating effect?—Yes; you would not notice any practical effect with regard to becoming intoxicated, whether your wine glass held 15 drops of spirit, more or less; and that is really the extent of the influence of the amylic alcohol. I think any local effects which have been attributed to fusel oil in spirit have been misinterpreted. I can understand the ordinary alcohol producing local effects on the stomach; but how this fusel oil, being diluted with a thousand, or ten thousand, times its measure of ordinary spirit, and that again with water, can produce any local irritant effect, I do not understand. Even sulphuric acid similarly diluted would have no local irritant effect.

1818. Then the headaches which we so constantly hear of from fusel oil vapours, arise from strong fusel oil, and not diluted?—Yes; but when I spoke of local action I was speaking of local irritant action on the stomach. I can imagine spirit containing much fusel oil producing a headache, but that is distinct from the effect of its action upon the coats of the stomach. I disbelieve in those, but I will admit the constitutional effects, and I know in my own experience that vapours of impure fusel oil have produced very unpleasant effects.

1819. Do you think, in the process of maturing, this change takes place between new and old whiskey, the disappearance of the fusel oil and the appearance of aromatic ethers?—I think that is a large part of the effect of ageing. I may say that during the evidence of Mr. Samuel, I think you put the question to him: Was not valerate of ethyl used as essence of jargonelle pears? I believe the contrary is the fact; it is the acetate of amyl which is used as essence of jargonelle pears, and there you have got the amylic alcohol, and it is used without producing any injurious effects. The valerate of ethyl is also a pleasant smelling liquid, but I am not aware that it receives any practical application.

1820. There is almost always acetic acid in whiskey, is there not?—The proportion of free acid in whiskey is extremely small. I have not a paper at hand to show it in figures, but it must amount to something probably in the second place of decimals, averaging 0·02 per cent.

1821. But if there is any acetic acid, might it not act upon the amylic alcohol, and produce this acetate of amyl?—Yes, I think that is very likely the way it does act, and that that is the reason why whiskey does not become acid with ageing; that the acid as fast as produced acts on the ordinary alcohol, and perhaps on the amylic alcohol, to form these pleasant aromatic ethers. I know an instance of whiskey containing half per cent. of acetic ether, but I would rather give you any further information on that a few weeks hence, if I have the opportunity.

1822. There

Chairman—continued.

1822. There is no legal definition of whiskey; how would you describe whiskey?—I should have liked to have called it a spirit, obtained by distilling a fermented infusion of malt, but I know that is a very narrow definition; it ties it down to malt whiskey strictly.

1823. That would not include malt and grain whiskeys?—It would not include malt and grain; but I admit that that, of course, is a very narrow definition, which would have to be extended. I do not like the idea of calling silent spirit "whiskey." I think whiskey is a spirit which owes its flavour to the presence of these curious aromatic substances, and to go and take pure silent spirit and add these aromatic substances which you have made in the laboratory to it in order to make a factitious whiskey, seems to me to be going outside the proper bounds of manufacture.

1824. Is that done?—That is done; and what is more, I believe I am right in saying that a special manufactory of whiskey exists, the produce of which is almost entirely sold to the patent still manufacturers to qualify their silent spirit.

1825. And is that a process of blending?—That is a process of blending, no doubt. In many instances these blended spirits contain a mere fraction of real whiskey, the great part being silent spirit.

1826. But is there any case in which you know that silent spirit is used and these aromatic ethers are added to it directly as aromatic ethers?—I do not know of any case except that I see advertisements of such ethers being sold to the trade, and I presume that they would not be advertised unless there were a market for them.

1827. Advertised for use in whiskey?—Yes, for use in whiskey, I think; but certainly for other spirits, brandy essence, rum essence, and so on.

1828. Have you had occasion to examine into what is called the adulteration of spirits in public houses and other places?—Yes, as Public Analyst for one of the largest districts in England, I have had a great many hundred samples of whiskey, gin, and rum, pass through my hands, and have examined them for the amount of alcohol, to see whether they are at all diluted with water. I examine them for the amount of extractive matter, and see whether that extractive matter is of a specially aromatic character; I examine them for free acid, and for objectionable metals, but not for fusel oil.

1829. Have you found from your own examinations that there are any abominations put into these low class whiskeys?—Nothing that I can call any abomination; but you see that the direction of my examination is necessarily limited; it would be very difficult, in the quantity that comes to a public analyst, which varies from one ounce to, if he is lucky, five or six ounces, to ascertain definitely that the abomination is there.

1830. I wanted to know whether you had the same or different experience from the evidence already given to us, that, taking a large number of these whiskeys, the chief adulterant was water?—Yes, I do not think there is any adulterant of an injurious character. No doubt a good deal is done in the way of flavouring, but there is no gross adulteration that I have ever detected in spirits of any kind.

Chairman—continued.

1831. And the chief adulterant is water?—The chief adulterant is water.

Mr. *Boord.*

1832. The only one or the chief one?—The only one to which I have ever been able to certify with a view of proceedings being taken. A public analyst takes good care not to give a certificate on which proceedings can be based, unless the case is absolutely beyond question, so that a conviction can be obtained.

Chairman.

1833. Do you hand in two tables as evidence?—Yes; Table A. gives the proportion of apparent amylic alcohol in various samples of whiskey, &c., and table B. the results of analyses of various samples.

Mr. *Somervell.*

1834. I notice in the table which you have handed in that in all the cases given by Dr. Bell, the analysis of the old whiskey contains more fusel oil than the new?—Yes, a little more.

1835. And that in your two instances of Scotch whiskey, that is to say, in No. 1 and No. 2, new and old respectively, your old contain less than the new, that in the case which you gave us, the eight-year old whiskey in that case, also in the same distillery, your old whiskey comes out with a considerably less proportion of fusel oil than the new?—Yes.

1836. In the same distillery your new whiskey is ·059 and your old ·034?—But do not let us confuse the two tables. One table gives apparent amylic alcohol, and the results of my analyses in that same table, just above Dr. Bell's, show practically the same amount of amylic alcohol in old and new Scotch whiskey; a trifling difference, but substantially the same.

1837. But they are all different in Dr. Bell's; I mean he reverses it; there may be the same proportion?—It is a fact that his results are somewhat higher; but you will remember I am impeaching the whole of my results and Dr. Bell's also, so far as the real amount of amylic alcohol is concerned. The results are very interesting if we take them as showing the maximum amount of amylic alcohol present, both unchanged and in the form of valeric acid and ethers.

1838. In the case you gave us from Scotland in the same distillery, one new and the other eight years old, you bring out the same result from the same distillery there; that distillery has new whiskey ·059 and old whiskey ·034?—Yes, if you estimate this amylic alcohol by the improved process.

1839. You give the real amylic alcohol as ·046 in the new, and in the old ·011?—Those are the figures (*handing a Table to the Hon. Member*).

1840. In the "apparent," the new contains more fusel oil?—Yes, the apparent amylic alcohol in those two cases is 59-1000ths and 34-1000ths.

1841. In both those instances you rather come to the opposite conclusion from Dr. Bell; you make the old diminish considerably by your analysis, and Dr. Bell makes the old whiskey increase in his; and he gave it as the result of his evidence generally that in his opinion the amount of fusel oil was greater in old whiskey than

Mr. *Somervell*— continued.

than in new; your instances reverse that?—My instances reverse that as far as they go.

1842. And in this case you show that by the process that he employs, the fusel oil is reduced from ·059 to ·034, and that in your process the real amylic alcohol is reduced from ·046 to ·011?—Yes.

1843. Your evidence tends to show that in a whiskey 8 to 10 years old the amylic alcohol has almost disappeared?—That is so in that case; I have another one also, I may say a 12-years' old whiskey, in which it only comes to 13-1000ths of real amylic alcohol, and at the same distillery when it was three weeks old it came to as much as 33-1000ths.

1844. So that in ageing it really disappears almost?—It nearly disappears, the fact being that the true amylic alcohol, as shown there in those two cases, 11-1000ths and 13-1000ths in the old whiskeys, is lower than that found by Dr. Bell in native silent spirit.

1845. If you reduce those two samples to 100, there is the same amount of water in each?—Yes, they are all calculated as if they were proof spirit strength.

1846. So that taking the difference between the amylic alcohols in the two whiskeys, cannot you say whether that went to the ethylic alcohol, or whether the ethylic alcohol remained the same, when you brought out a balance of aromatic ether?—I am not sure that I quite understand your question.

1847. Can you give us what you brought out of the ethylic alcohol?—Not in the second place of decimals; we are dealing with these to the third place; I have not estimated the ethylic alcohol so closely.

1848. You have heard Mr. Samuel's evidence as to the effect of pure ethylic alcohol when taken?—Yes, I have.

1849. Have you any reason to give why that should produce those effects?—No, I cannot understand why pure ethylic alcohol should be found to produce injurious effects, when the same substance does not when associated with minute quantities of other things, unless these are considered as a corrective; but, on the other hand, I do not like the idea of supposing that all alcoholic drinks, whether wine or beer, or spirit, are taken simply for the purpose of the alcohol that they contain, and that the alcohol is the only thing that you have to consider as valuable in them. I think it is these associated ethers which give them their characteristic properties and their value. Otherwise, why do not we like new wine as well as old wine. It is the development of the ethers in the old wines and whiskeys which gives them their special value. If you come to pure alcohol, as you have it substantially in silent spirit, it does not improve with age, and you do not get what you desire. I think these associates of the alcohol in wine and spirit are probably very useful for digestive and similar purposes.

1850. But do you admit that there is a difference in the physical effects between new and old wine, that the new wine might give you headache but the old would not?—I can understand that there is a great deal of variation, even in that case; I should prefer the matured wine myself.

Mr. *Somervell*—continued.

1851. I understood that you thought the aromatic ethers were produced by the action of the acids on the amylic alcohol?—Yes; I think that, for instance, you can have a portion of the ethylic alcohol oxidised to acetic acid, and that that will act on the amylic alcohol, making it into an acetate of amyl, a substance with the smell of jargonelle pears. I think also that you can have the amylic alcohol oxidised to valeric acid, and that that will act on the ethylic alcohol, forming valerate of ethyl, which is also a fragrant smelling liquid. I do not think it is established, as was put by Sir Henry Roscoe, that they are all ethyl compounds which are formed. From what I gathered I thought he meant to say they were all ethers of ethyl and not of amyl. If that is held, I do not think it is proved.

Chairman.

1852. Have you any evidence to show that?—I have found that by taking out these ethers by the process I have described, I have got from those ethers valeric acid, and that clearly has arisen from the amylic alcohol being oxidised, which accounts for their being less to be found unchanged in the spirit.

Mr. *Somervell.*

1853. The whiskey would only change its character so long as it was kept in the cask; immediately it is bottled it remains stationary?—That is substantially so. I have been at some trouble to get from distillers specimens which were kept in glass ever since they were young, and specimens of the same which were kept in cask, with a view of comparing them side by side, and when I have mentioned new and old of the same distillery, in some instances that has been done; and other figures will show that more clearly; I hope to lay them before you on another occasion. I have been doing my best to get hold of such specimens, but it is not usual to keep them in glass for any length of time, and it is only by means of considerable interest that I have succeeded in obtaining a limited number of samples, which have been given me through kindness. That is the way to study (as I explained in an article I published in August last) the change in whiskey by ageing, to compare what it was when young, or when it has been preserved in glass, with what it is when it is old.

1854. Have you made any experiment on old and new patent still raw grain whiskey?—Not to compare them as old and new. I have two samples at hand, two samples mentioned in my table here from the same firm.

1855. Have you tasted them to see if their character was very different, if there was a great difference between the old and new grain whiskey?—No, I have not; but you point out that there is a difference in them by ageing, and I should like to explain that the habit of storing whiskey in sherry casks, and other casks, but sherry casks notably, materially alters its character, and that a whiskey which has been stored in a sherry cask soaks out certain matters from the wood which materially modify its character. You can over-sherry a whiskey, and make it too characteristic in that way. Therefore, if you take silent spirit and put it into a sherry cask you

Mr. *Somervell*—continued.

you are bound to alter its flavour; it is sure to be modified; whatever cask you take you cannot keep silent or pot-still spirit in a cask without modification.

Chairman.

1856. Will you explain that? If you take a silent spirit, supposing there is no cask in the question, would you expect to alter at all by age, being merely pure alcohol to begin with?—Not in glass; but as soon as you put it into wood it begins to extract the matters from the wood and undergo oxidation.

1857. But the fusel oil itself does not change?—The quantity of fusel oil in silent spirit is very insignificant. Dr. Bell finds in foreign patent spirits as little as 9-1000ths.

1858. You would not expect that spirit of that purity would change in bond, expect from what it took up from the cask itself?—I think it would change by oxidation as well.

1859. In that case it would be converted into acids?—And those into ethers; into acetic ether.

1860. Is it a fact that it does change in bond much?—There I am again on ground with regard to which I would rather postpone my evidence; I could speak more confidently about that in a week or two if I had the opportunity.

Mr. *Somervell.*

1861. Have you analysed any of those essences that were advertised?—I have not.

Mr. *Healy.*

1862. I want to ask you, have you considered this matter from a trade point of view; do you think it a fair thing that manufacturers who go to the trouble of making whiskey from the most expensive material, which is malt, and in the most expensive way, which is by the pot-still, should be exposed to having the production of another manufacturer making inferior compounds and in a patent still called by the same name and sold to the public as the same article?—I do not think it is fair; it seem to me parallel to a mixture of chicory with coffee; we do not allow a mixture of chicory with coffee to be sold without an acknowledgment of the chicory; nobody objects to it if it is acknowledged to be there; and in the same way I should like the public to be told if possible, "This is a mixture of pot-still and patent still whiskey," and not have a mixture which is nine-tenths patent still or silent spirit sold as Scotch malt whiskey.

1863. And, in the same way, that a malt whiskey, or a grain whiskey, or a potato whiskey, should be sold as such; you do not think it fair that a man who makes his compound from malt should be put on the same level as a man who does not?—If as a public analyst I had a sample brought to me as malt whiskey, and had the means of proving that it was not malt whiskey but silent spirit, I should issue a certificate on which I think a conviction would follow.

1864. Have you considered the disadvantage which the higher class of manufacturers are placed at by the denomination of the Customs and Excise, they bonding everything under "British plain spirits"?—I read the evidence on

Mr. *Healy*—continued.

the subject, but I have so little interest in the Custom House operations that I cannot say I have devoted that attention to the effect on the trade that I have to the chemistry of the subject.

1865. But, assuming that the matter does affect the trade, do you think it fair that everything should go in under one denomination as "British plain spirit"?—I do not think it is fair to call whiskey a plain spirit at all; it is a special manufacture, and it certainly is not fair to compare it with a silent spirit.

1866. You think, therefore, in fairness to the manufacturer of the true whiskey that denomination on the part of the Government ought to be changed?—I think if I were a whiskey manufacturer I should grumble very much and think it very hard.

1867. Now have you any means, in chemistry, of detecting pure malt whiskey from a spirit not made of malt?—Yes, I could, if I had the two side by side; I could tell which was malt whiskey and which was silent spirit; but I could not in a mixture of the two say that there was a certain proportion of silent spirit; I could find the malt spirit, the pot-still whiskey, but not the other.

1868. You can detect malt whiskey, but not the absence of it?—That is what it comes to. In other words we have a very good and delicate test for furfurol which appears to be a constant constituent of pot-still whiskey, but which is essentially absent from the silent spirit.

Chairman.

1869. Could you distinguish between a malt whiskey and whiskey made from malt and grain, for instance?—I could not.

Mr. *Healy.*

1870. Would not that point to the necessity of some Customs or Excise precaution being taken either at the port, or in manufacture, to see that the thing went out under a proper name?—Yes; I should like to see everything sold to the public under a proper name.

1871. Would you be in favour of allowing to be sold as whiskey a silent spirit?—No, I do not think the term whiskey is appropriately applied to a silent spirit which has had all the essential characteristics of whiskey removed from it.

1872. Therefore, your definition of whiskey a moment ago would have to be amended also by adding the words "and distilled in a pot-still"?—I think I defined whiskey as a spirituous liquid obtained by distilling an infusion of malt. I ought to add, "without any attempt at fractionation."

1873. And from a pot-still?—Yes; or its equivalent.

Chairman.

1874. Where Irish whiskies were made from malt and grain, would you say they were not whiskies, though distilled in a pot-still?—No, I said that I thought that a very narrow view to take; that I should have included unmalted grain as well.

Mr. *Healy.*

1875. Would then this be the definition: a spirit made from an infusion of malted or unmalted barley, distilled from a pot-still?—Yes.

Mr. *Somervell.*

1876. Might I ask whether you think the malting of barley makes any difference either in the flavour of the whiskey or in the proportion of the higher alcohols that it contains?—I do not know; I have no evidence upon that; it would be a very long investigation, and I have no evidence on it.

Mr. *Healy.*

1877. Has your attention been called to the practice encouraged. or at least tolerated by the Government, of allowing the system of blending to go on under the nose of the lion and unicorn, if I may say so?—I am aware of its existence.

1878. Do you think that is fair dealing with the public?—No; on the ground that the public do not know that these mixtures take place.

1879. Then you think it is in the public interest to prevent blending in bond?—I should be inclined to think that the blending in bond is objectionable, because it gives an opportunity for mixing the different characters of spirits which they might do outside the bond, but I am hardly acquainted sufficiently with the practical details of that part of the subject to know what inconveniences might arise. It is a perfectly legitimate thing to blend different varieties of pot-still whisky; and if you stop blending altogether, I do not know what the practical consequences might not be; therefore I speak with great diffidence on a subject which is outside my line.

1880. At anyrate, you are opposed to allowing those artificial ingredients, such as you have mentioned, to go into bond?—I certainly would not allow them to go into bond; that is simply a question of making a factitious product of the nature of whiskey.

Chairman.

1881. You are aware that blending in bond is a very large industry now?—I presume it is.

1882. And therefore a natural caution leads you to say that you do not know whether you would like to give an opinion which might affect a large industry?—I do not know that it is so much the largeness of the industry which is to be considered as that it would interfere with what is a legitimate operation.

1883. Would you consider the addition of water to whiskey, in order to dilute it to a certain strength under proof, an adulteration?—Under the sale of Food and Drugs Act, an excess of water which would bring whiskey or brandy or rum below 25 degrees under proof, or gin below 35 degrees under proof, is a legal adulteration.

1884. But above that, is it?—It is not a *legal* adulteration.

1885. Would you consider, for instance, if a whisky containing too much of fusel oil, or of aromatic ethers, or anything else that is comprised in it, and it was diluted with pure alcohol or practically pure alcohol, or silent spirits, that that was an adulteration that ought to be permitted by the law in order to improve its quality?—In order to reduce the fusel oil?

1886. In order to reduce the fusel oil and improve the character of the whisky by blending it?—Not provided it was acknowledged; I object to nothing of the sort provided the consumer knows what is being done, just as you are bound to let the consumer know if you water it.

Chairman—continued.

1887. But is not it the fact that whiskey of certain blends are very highly appreciated by the public?—Yes.

1888. Supposing that a natural whisky contains too much of fusel oil, is it anything detrimental to trade or to the public interest if it is reduced with other pure alcohol in order to bring it down to the right quantity?—That involves the assumption that the pure whiskey is so very rich in fusel oil, which is rather opposed to my belief.

1889. But are there not cases where the fusel oil is above the ordinary quantity and it is desired to bring it down to a lower quantity, such as would make it a safe whiskey?—I can imagine a whiskey which contains an abnormal quantity of fusel oil, and in that case dilution would, of course, bring it down to something normal.

1890. Would not it be improved as regards public consumption?—Provided that by that fusel oil you mean unchanged fusel oil.

1891. Would not that improve it for public consumption?—It would make it unnecessary to keep it so long, and therefore bring it within reasonable limits for public consumption.

1892. Would you prohibit that blending in bond in order to produce such a result?—Not provided the public are made aware of its origin; but I assume (I do not know whether I am right) that if the blending is done in bond the public have no chance of becoming aware of it.

1893. But blending very often takes place in a public-house, does it not?—Yes.

1894. Supposing a whiskey was bought with too much fusel oil, and did not suit the palate of the customers, would you call it a dilution against the spirit of the Act with regard to selling drinks and foods that the public-house man should put in a certain quantity of pure spirits in order to make it more palatable and more healthy?—I think that the proper remedy in that case would be not to allow any whiskey containing an injurious quantity of fusel oil to go into circulation at all.

1895. But do you not know that it is constantly done in the public-houses?—I am aware that blending occurs, and can understand it being done with that object, but that is after all simply circulating the fusel oil.

1896. Would you consider adding pure spirit any more an adulteration than adding pure water, if it does not go beyond a certain quantity?—If it does not go beyond a certain quantity, and it is simply for that purpose, I am unable to take exception to it; but of course it can be carried very much further than that quantity.

1897. But looking as a chemist at the dilution of whiskey with pure spirit and with pure water, not going below a certain minimum, do you as a chemist see that there is any difference between them?—No; I see no difference provided the original assumption is correct, that the amount of fusel oil, unchanged fusel oil, in the whiskey to be blended is excessive and that the fusel oil is there to an injurious amount.

1898. The

Sir *Edward Harland.*

1898. The general supposition is that taking pot-still whiskey and keeping it in cask, in wood, for a number of years very much improved its character so far as the flavour for drinking is concerned?—No doubt that is the fact.

1899. Has it occurred to you upon the other hand, that if the same whiskey had been kept, say in glass casks, probably no change would have taken place?—That is the fact; I know it to be so.

1900. It also may have occurred to you that the change must unavoidably arise from the character of the receptacle in which it is, that is to say from its being in this instance enclosed in a wooden cask?—Yes, that is so.

1901. Then has it occurred to you that various woods might produce various changes; now I believe it is recognised generally in commerce as a thing generally known that the casks of the ordinary character used are made of American oak?—I know it is oak; I did not know that it was American oak.

1902. American oak; and that such American oak in other classes of business is known to contain more acid, and to be more injurious to say, bolts or nails driven into it, than any other kind of wood used in commerce; now with that suggestion laid before you, would that lead you to conclude that perhaps the acid in this American oak might have a special effect on, or be communicated to, the liquid, and so produce some of the changes; in the transformation of certain commodities in it into the aromatic ethers that you spoke of before, whilst on the other hand, some of the fusel oil might be absorbed by the wood, and in that way after the spirit was again drawn from this cask, you would have left behind some of the injurious ingredients, whilst you would be drawing off the whiskey with this aromatic flavour, which is specially appreciated by the consumer?—Your question is rather a long one, but I am distinctly of opinion that the wood profoundly modifies the whiskey in a manner similar to that which you have indicated.

1903. You have not, perhaps, had an opportunity of analysing a coating of wood in an old cask which had contained whiskey for a number of years, in order to ascertain what had been left behind in the wood, and so, of course, what had been taken into the whiskey?—Yes, I have made experiments in that direction, but they are not quite ripe; but if I have an opportunity of coming again before the Committee a few weeks hence I think I can speak more definitely; for I have been devoting attention to that matter.

1904. Do you think that the access of air, that is air being absorbed by the whiskey through the pores of the wood, would have an effect?—Yes, I think that affects it very materially.

1905. In other words, that the character of the wood being so totally different from that of glass, it is through that that the change takes place?—That is distinctly my opinion.

1906. So that your opinion would lean to the advantage to the consumer of pot-still whiskey being kept in wood for some time?—Yes, it is modified in a most material manner, and I think that you cannot keep a silent spirit in a cask without more or less of a similar change.

Sir *Edward Harland*—continued.

1907. Do you think that it would be desirable that each should be kept for the same time, or would you lean in the direction that on account of the greater quantity of the fusel oil and of other ingredients in the pot-still whisky, such pot-still whisky should be kept for a longer period in wood than the patent still?—It depends entirely on the purpose to which you are going to apply the patent-still whiskey. Patent-still whiskey, if kept in a cask, takes up colour and becomes unfit for many of its legitimate purposes, though it would still answer for blending with pot-still whiskey. I said that the patent-still whiskey was modified by being in the cask, but I do not think it is improved in the same sense that pot-still whiskey is improved by being kept in a cask.

Mr. *Somervell.*

1908. If it has been shown that a pot-still spirit which has been fortified to an abnormal extent by fusel oil has no injurious effect, but that a similar amount of pure alcohol, when taken pure by an individual, produces injurious effects, would you then consider that the adding of pure alcohol to a pot-still spirit should be prohibited?—Well, that is a logical conclusion.

1909. Or at any rate that the purchaser should have notice of it?—That is the logical conclusion from the premises.

Chairman.

1910. But do you take it as the logical conclusion that because it has operated upon one individual in that way it is therefore an established fact in science?—No, I am inclined to think that what is sauce for the goose is not always sauce for the gander.

1911. In the case that you have mentioned, where you had a trial of a man who suffered great pains internally on account of taking a particular class of whiskey, would you consider, supposing the evidence he gave was true, that was condemnatory of the great Irish house that supplied that whiskey?—No.

1912. Then one case is not sufficient evidence, is it?—No, I think one case not sufficient evidence one way or the other. I am inclined to doubt altogether whether the proportion of fusel oil met with in whiskey is ever injurious at all, or at any rate the amylic alcohol of the fusel oil.

1913. Or that its abstraction would do much physiological harm?—I think that, physiologically, it is a matter of indifference as far as amylic alcohol is concerned.

Mr. *Boord.*

1914. Did I understand you to say, in answer to Sir Edward Harland, that silent spirit was capable of change in a cask as well as pot-still spirit?—Yes, it is capable of change in the sense that it would take up colouring matter and tannin from the cask, and that a certain amount of the alcohol will undergo oxidation, with ultimate conversion into what we call acetic ether.

1915. A silent spirit is a pure spirit?—Next door to a pure spirit.

1916. Therefore, does it undergo a change in the sense which you have in your mind?—The

Mr. *Boord*—continued.

change does not result in improvement in the same way, but it does undergo a change, and a change perfectly perceptible to the smell and taste in the long run.

1917. Does it undergo a deterioration?—No; I should say not, except for the particular purposes for which you want a colourless spirit. There are many people who use silent spirits in the arts and chemistry who would not buy spirits which have a yellow colour.

Chairman.

1918. Would you consider it a proper recommendation from this Committee to say that all silent spirits, or pure spirits, should be bonded in order to improve them?—No, I should not.

1919. On the contrary, you would think that the bonding might deteriorate them?—For certain purposes it would deteriorate them; they would not undergo the same class of change, the same improvement that pot-still whiskey does by being kept, and therefore I fail to see the object of bonding them.

Chairman—continued.

Mr. *Somervell.*

1920. Would you not rather make a series of experiments upon old and new patent-still spirits before you form a definite opinion upon the matter?—I should be glad to make experiments of the kind, and no doubt it would add to the value of my opinion.

Chairman.

1921. Would you say, as a chemist, that pure alcohol could improve as pure alcohol by being bonded?—No, I do not think that pure alcohol is improved by being bonded.

1922. And you gave this evidence that patent spirit was a very near approach to pure alcohol?—A very near approach to pure alcohol. If your ultimate object is to blend it with whiskey, then I can understand its being desirable to bond it, because it will develope acetic ether, and therefore undergo a change.

Tuesday, 17th February 1891.

MEMBERS PRESENT:

Mr. Boord.
Sir Edward Harland.
Mr. T. M. Healy.
Colonel Hill.
Mr. Jackson.
Mr. M'Ewan.
Sir. Lyon Playfair.
Sir Henry Roscoe.
Mr. Somervell

THE RIGHT HONOURABLE SIR LYON PLAYFAIR, IN THE CHAIR.

Mr. JOHN MACGILCHRIST ROSS, called in; and Examined.

Chairman.

1923. WHOM do you represent?—I represent the North of Scotland Malt Distillers' Association.

1924. That is a Highland association?—Yes; of distillers north of the Grampians. There are about 40 such distilleries altogether, and we make about 3,000,000 gallons of whiskey all from malt only.

1925. I think your Highland whiskey is well recognised by the trade, is it not?—Yes, it is recognised as of the very best quality.

1926. How many years have you been engaged as distiller?—Over 40 years; my father was a distiller, and my grandfather was a distiller; we are a race of distillers, and we claim to know something about the making of malt whiskey.

1927. Then I suppose you remember the time when the spirit duty was less than it is now?—I do remember when the spirit duty was only 3 *s.* 8 *d.* a gallon, and a small charge for malt duty. At that time all the whiskey that we made was permitted out as made from malt only. We malt distillers objected at the time when this distinction was withdrawn; and I would strongly recommend in the interests of public health that this mode of permitting out whiskey should be resumed.

1928. What is the general name now under which the Excise catalogue all whiskies?—Plain British spirit.

1929. Is it your desire that malt whiskey should always be sold as malt whiskey, and never be used for blending?—No; I cannot quite say that. I see no harm in blending, provided the whiskey is known as blended whiskey. But I may say this, that the public and possibly some honourable Members of this Committee may not be aware of the enormous amount of blended whiskey that is made up, sold and paid for as pure Highland malt whiskey, a very small proportion of which consists of the genuine article, the rest being plain spirit.

1930. But what I want to understand your opinion upon is this: you say that malt whiskey should only be sold when it is labelled as "malt whiskey"?—I should say so; sold as

Chairman—continued.

really what it is; and not under a fictitious name.

1931. I understand that; but are you going to prohibit malt whiskey being used in blending?—Certainly not.

1932. Then how are you to follow it out. If whiskey cannot be sold as malt whiskey if it is blended, how are you going to follow it out?—I am afraid when it gets into the hands of the wholesale merchant that that cannot be done; I do not see how it can be done. It can be permitted out of bond by the Excise as malt whiskey; but after it gets into the stores of the wholesale dealers I do not see how that can be prevented.

1933. But would you not allow it to be blended in bond?—Oh, yes.

1934. It ceases then to be recognisable as malt whiskey?—In so far as it is blended in bond, it is blended under the eye of the Excise, and the Excise can see to it, that it it is not sold as pure malt whiskey when it is not.

1935. Then I understand that you only wish it in bond to be called malt whiskey, or if it is sold as malt whiskey, to be still called malt whiskey?—Yes.

1936. But that blends containing malt whiskey should be labelled as blends?—Surely.

1937. Were you not once a blender yourself?—With a view of getting an outlet for my own produce, I opened up a wholesale spirit establishment in London; but I only continued it for two years; I found that it did not suit my purpose and I relinquished it.

1938. Have you a large experience in the maturing of malt whiskey?—Yes; very large.

1939. In the process of bonding does not the market price rise considerably by ageing?—With malt whiskey the price rises from 4 *d.* to 6 *d.* per gallon per annum on the original gange, and it is seldom kept in bond beyond 10 years. After that time a fancy and fictitious price is got for it; the price is not regulated by the scale of from 4 *d.* to 6 *d.* per gallon; but it is looked upon as a fancy article.

1940. Is grain spirit either alone as grain spirit or blended with your malt whiskey kept in bond,

generally,

Chairman—continued.

generally, for the same time?—I cannot say as to blended spirit, but I think blended spirit does not long remain in bond after it is blended; but as regards grain spirit, I am aware that it advances in value 2 *d.* per gallon per annum up to six years, and after that I believe it is seldom kept in bond at all.

1941. I think you have attended to the chemistry of the subject as well as the commercial part?—When a young man I went through the chemical course at Dr M'Adams' Laboratory at Edinburgh, and I at that time conducted some original investigations upon fusel oil, and I have all along since then continued giving attention to these subjects. My object was to separate and identify——

1942. I want first to get some other information from you. Does not the taste for different kinds of whiskey vary in different localities, especially in Scotland?—Yes, it does very much indeed.

1943. Now will you please give us some examples?—In many parts of the South of Scotland there is a taste for patent spirit, and it is drunk almost alone; but in the Highlands of Scotland malt whiskey is almost invariably used, at least those who drink it think that that is what they are drinking.

1944. That is in the North of Scotland you say; but in some parts of Scotland the working classes prefer the patent-still spirit?—I believe they do in some parts of the South of Scotland, but not in the Highlands.

1945. Now do you think from your experience that malt whiskey is unwholesome when fresh made?—I do not think so at all, and I have made experiments on myself in view of coming here. I may mention, perhaps, to the Committee that I am in the habit of daily taking with my food a certain quantity of good old whiskey; and I find that it does me good as part of my food. I eschew taking any between meals; I look upon that as a very pernicious habit. In view of coming here and with the view of finding out what effect new malt whiskey might have upon myself, I for a whole week drank nothing but new malt whiskey, and I found no bad effect from drinking it; of course it was not so palatable as matured whiskey.

1946. Now, how much do you take at meals, a glass?—I should say from three-quarters of a glass to a glass; perhaps a little more after dinner.

1947. How many ounces would that be?—A glass is two ounces.

1948. In a day, altogether, would you take six ounces or so?—I think that would be quite as much, perhaps a little less. Perhaps six ounces, I may say that.

1949. In your experiments did you also try the same amount of patent spirits?—No, never; I would not attempt that. But I may mention that if I happen to take a glass of brandy, I know that since the phylloxera has so largely destroyed the vines in France, this new patent spirit is very much used in making up brandy, and I find that brandy now is not the article at all that it was in former years, because a great quantity of that patent spirit is put into it; and that a glass of brandy is not so wholesome to take as a glass of good sound malt whiskey. If

Chairman—continued.

the Committee should care to see it, I have a sample of malt whiskey here, perfectly pure, made last week (*producing it*). You invariably get the *gout* of the feints in all new malt whiskies, made in pot-stills.

1950. If you put it in your hand the smell of fusel oil is quite apparent, I think?—I beg your pardon; not fusel oil. Fusel oil is known as amylic alcohol by chemists. I think it is quite a misnomer to say that malt whiskey contains fusel oil; there is scarcely a trace of amylic alcohol in it. I can mention, perhaps, later on something further on that.

1951. We will come to that later on. The malt whiskey is not a perfectly uniform product, even in the same distillery, is it?—No, very far from it. I have brought along with me two numbers of the "Wine and Spirit Gazette," in which we have a list of the prices got at auction sales of various brands of whiskey, and if I may be allowed I will put those in. They show a very great difference.

1952. I do not think we will take the prices just now, but do you think, as a practical distiller, that the quality of malt whiskey is always the same in the same distillery?—We are all liable to make a mistake, and sometimes a mistake may be made, and sometimes the quality may not be so good as you get at other times.

1953. When malt whiskey is badly prepared, by reason of any accident, or from any other cause, would it require more ageing than another whiskey that was well prepared?—It is very much the better for more ageing.

1954. Are you of opinion that it should be incumbent upon the malt distillers to bond for a certain time?—No, very far from it; I think there is no necessity whatever for that. The malt distiller, in the interest of his own business, will take care to produce a good article.

1955. You do not want him interfered with?—Certainly not; I think it would be a very great grievance for him to be interfered with, and that there is no necessity whatever for it. The very fact of his getting an increase in price of from 4 *d.* to 6 *d.* per gallon per year for his whiskey is quite a sufficient guarantee that it will be kept in bond as long as the public want it kept.

1956. But if it is true, as it is true I believe, that malt whiskey improves so largely in price by bonding, would it do any harm to the distiller if he had to keep malt whiskey in bond?—You mean if he had to keep it compulsorily; I think it would be a great grievance, because the distiller would require to find a great deal more capital, and it would hamper him very much; and it would be quite unnecessary.

1957. You said just now that you did not think that malt whiskey contained much fusel oil, by that meaning amylic alcohol?—I mean the higher alcohols, chiefly amylic alcohol.

1958. You say that malt whiskey contains very little amylic alcohol?—At the invitation of Dr. Bell I passed the greater part of the day, yesterday, in the Inland Revenue Laboratory, and the chemists there are engaged just now in finding out a process for detecting amylic alcohol more easily than by the tests which have been hitherto used; and I was very much interested to see what great progress is being made;

Dr.

Chairman—continued.

Dr. Bell told me that he hoped very shortly to be able to announce a process whereby the presence of amylic alcohol in any kind of spirit can be infallibly and easily shown.

1959. But you said that in malt spirit there was practically no amylic alcohol?—Practically none.

1960 How do you find that out?—If the Committee will allow me, I can produce samples of oils which I have, showing the impurities present, respectively, in our own malt whiskey, in grain whiskey, and in potato spirit, which show very great differences among themselves.

1961. But what I want to understand is whether you say, as a scientific fact, that malt whiskey, even when new, contains practically no amylic alcohol at all?—Practically no amylic alcohol. In the laboratory yesterday the chemists tested this oil, which I have got out of our own malt whiskey, and they have found the very slightest proportion present; but certainly very much less than was found in these fusel oils from grain spirit and from potato spirit.

1962. That there was a much smaller quantity of amylic alcohol you mean?—Yes.

1963. Then what is the oil, do you think, in these malt spirits?—It is in the nature of a fatty substance; it is some new kind of essential oil, I cannot tell you what; an essential oil peculiar to malt whiskey itself. I made that myself (*producing a sample*) when I conducted that investigation, it is 25 years ago. I got it out of whiskey by a process of my own, and I got this (*pointing*) also.

Mr. *Somervell.*

1964. Did you get these (*pointing*) from Dr. Bell?—No. I got the grain fusel oil from a large distillery in Scotland, which I would rather not name. I got the potato oil from a chemist who came over from Germany. The potato fusel oil smell is very much stronger than that of the grain fusel oil, and it is used by the manufacturers of perfumes.

Chairman.

1965. Do not let us run away from the subject. You say that the oil that you extracted from malt spirit contains some essential oil, but not amylic alcohol?—I am not prepared to say that it contains no amylic alcohol whatever, because I believe that the very quality of bad whiskey is due to the presence of amylic alcohol; and I have already said that malt whiskey may possibly be badly prepared, and I am not prepared to say that there may not be a proportion sometimes in badly prepared malt spirit of amylic alcohol; but our object is to make our whiskey as well flavoured as possible, and if we succeed in that by using the proper materials we succeed in making it practically pure from amylic alcohol altogether.

1966. You think that the other kinds of whiskey made not from malt, but from grain——?—And potato spirit.

1967. But that is not made in this country, is it?—If any distiller in this country should use any root, such as potato, beet, or carrot, it would be known in the trade, and he would ruin his business.

Chairman—continued.

1968. Then your answer to what I asked, is that potatoes are not used in this country for that purpose?—Never. I may direct your attention to the Report that was given in by the Committee last autumn, and you will find that in these patent-still distilleries nothing else is used but grain and malt.

1969. Do you think that grain spirit, well distilled in Coffey-stills, is a pure spirit?—Very pure, but insipid.

1970. And you would be content that these patent-still spirits should be sold, provided they are not called malt whiskey?—Surely, it is not correct to sell them as malt whiskey when they are not malt whiskey.

1971. Patent-still spirits are sometimes made out of potatoes and other roots in foreign countries, are they not?—Yes, chiefly, I believe.

1972. But would you, as a chemist, say that if the patent-still spirit is well made in a Coffey-still it is of any consequence, if it is pure alcohol and water, from what source it is made?—I am not prepared to answer that question, because you, as a chemist, must know that when you distil, no matter how perfect your distilling apparatus is, if there are two given bodies which it is wanted to separate, the boiling point of which, and the vapour tension of which are near one another, it is physically impossible to separate those two bodies by any amount of fractional distillation.

1973. But if our evidence is correct, as given by the chemists of the Excise and Customs, that the foreign patent spirits which come into this country of the best quality are practically pure alcohol and water, is it not a matter of indifference from what source they are obtained?—I do not know; I do not think any chemist would be able to tell that. I think that is rather an obscure subject altogether.

1974. It depends upon the chemists who have examined into it, and given evidence upon it?—I think there are no chemical processes known that can identify any such thing as that; I speak as a chemist myself. I understand you ask me about pure German spirit; you have mentioned the word "pure."

1975. Yes, pure. Impure German spirit comes into this country for methylation and other purposes?—I beg to direct your attention to the evidence given by Mr. Williams, the collector of Customs at Dundee, in answer to certain questions. It is of very great importance that that evidence should be controverted. Mr. Williams said that impure German spirit does come into this country.

1976. That evidence is at Questions 671, 672, and 673?—Yes; the question is asked of Mr. Williams, "Can you tell us about what are called the German plain spirits and their qualities and their destination?" and the answer is, "The German plain spirit varies very greatly. Some German plain spirit is the most beautiful, clean silent spirit, very useful for many purposes; very useful, for instance, for making perfume, and I should say very useful indeed for making gin, and any process where a nice clean spirit was wanted. On the other hand, there are very cheap qualities of spirit which after importation are almost

Chairman—continued.

invariably methylated." Now, Mr. Williams says, that upon his own responsibility, and I think that the onus of proof lies on him, that any of that impure spirit does not go out into the market and gets sold as beverage. I maintain that as long as such very cheap spirit as that comes into this country (that is to say the impure qualities of it) and can be got, you will find persons in the trade who will buy that spirit when there is no let or hindrance to their doing so, and putting that spirit into consumption.

1977. Do you know as a fact that that impure spirit is put into consumption in the country for drinking?—We sometimes meet with very curious things; we sometimes meet in low public houses with very impure qualities of spirit, and from my own personal knowledge and from what I hear, I can say that we very often hear of persons being taken unawares by drinking a single glass of very bad stuff, and in fact being made quite drunk.

1978. I want to know whether your evidence is more precise upon the subject than Mr. Williams' evidence, to which you take objection. You say that the *onus probandi* should be put upon him; now should not the *onus probandi* be put upon you if you give evidence, and say that such cheap poisonous stuff is used in public-houses?—I remark that there is no check upon that impure spirit going into consumption.

1979. But are you aware as a fact, that it does go into consumption?—Yes, I know for a fact from the effect that I see sometimes following it.

1980. Are you aware of this fact, that evidence has been given before us, that spirits taken from the lowest and most common public-houses throughout the country for the purpose of this inquiry, have generally been found to be pure commercial whiskies?—I did read that in the Blue Book, but at the same time I submit that the publican would take very good care not to give the inferior qualities of spirit on those occasions.

1981. Were they aware of the purpose for which it was brought when these spirits were taken as samples?—I do not know about that, but as far north as Inverness I saw a circular in which "pure German spirit" is offered for sale.

1982. But that pure German spirit is not the poisonous stuff to which you are now referring?—I do not know as to that; there is nothing to prevent these parties from buying this impure spirit and selling it; there is no check upon that.

1983. I think you consider that a good glass of malt whiskey upon the top of bad whiskey is a capital antidote?—I have been over and over again told so; I never tried it myself.

1984. But I think in the information which you sent to me you made the curious remark that if persons have been taking adulterated silent spirits or grain spirits, a good glass of malt whiskey makes them vomit?—There is one person who told me that the other day; I did not intend to bring that forward, but a person whom I could trust told me that the other day.

1985. Do you think that that shows that the malt whiskey is a good cure for the adulterated spirit?—I do not know; I suppose it acts as a stimulant and allows the stomach to do its office and to purge itself of the poison.

Chairman—continued

1986. Have you any information, derived from your own knowledge, of the effect upon health of different classes of whiskey?—No, except what I have already mentioned.

1987. But is it not your opinion that, in the interest of public health, foreign spirits should be taxed?—It is; I decidedly think that it is in the interests of public health.

1988. Or in the interests of malt distillers; which?—No, I beg your pardon. I think it is really in the interests of public health that it should be taxed more. I do not mean to say that what goes into bond in the gin distilleries, to be purified and made into gin, should be taxed, because that would be done under the eye of the Excise, and the Excise would see that it was put out for consumption pure; but with regard to what comes into the market, and can be bought by wholesale spirit merchants and sold to their customers, I think there should be some check upon that.

1989. But would you tax German spirits if they were perfectly pure?—No, I would not, if they could be got so.

1990. Then what you wish to tax is spirits when they are impure?—Yes; but the difficulty is that there is no check upon impure German spirits. I maintain that the check upon whiskey made in this country is that the distillers of all kinds in this country have in order to maintain their characters to give out a good article, otherwise they lose their business; but when spirit comes across from Germany there is no check whatever upon it.

1991. But supposing that the impure spirit which comes over from Germany is only equal to the spirits which is methylated in this country, would you consider that a tax should be put upon all spirits, good and bad, because they are foreign?—I would say not if there could be a check upon impure German spirits coming over: but inasmuch as there is no such check, I see no other way of doing it than putting an additional tax upon them.

1992. Would not that simply be protection in favour of the British distiller as against the foreign distiller?—No; I would not say so at all; it is in the interests of public health.

1993. In the interests of public health you say; but that is supposing that the injury to public health is established. Do you think it is established now?—I do think so, decidedly.

1994. What evidence have you of that; I have been trying to obtain what evidence you have that public health is injured by good well-distilled foreign spirits?—No, not well-distilled foreign spirits; but there is no method of determining whether this foreign spirit comes over pure or impure; and I maintain that it is a fact that the impure goes into consumption as well as the pure, to the prejudice of the health of the lieges.

1995. Then how much would you tax all foreign plain spirits, whether they were pure or impure?—Two shillings per gallon extra; that is to say 12 *s.* 6 *d.*

1996. You know that there is a little differential tax as against foreign spirits now on account of the harassing nature of the Excise supervision in this country?—Yes.

1997. You do not think that is sufficient?—The

Chairman—continued.

The 4 *d.* per gallon you mean? Yes, I think so. In fact we get 2 *d.* a gallon of bonus in exporting ourselves, as an equivalent for the harassment of the Excise.

1998. But then you want 2*s.* imposed upon foreign plain spirits in addition to that 4 *d.*?—Yes, quite so; I would not bind myself to that exact sum.

1999. And would you tax all Colonial spirits in the same way?—No, certainly not. I believe rum is perfectly wholesome, Rum, I may say, is our only Colonial spirit; I mean Jamacia rum; I do not mean Hamburg rum at all, which is made up with this German spirit.

2000. Would you tax foreign rums, such as Hamburg rum?—Certainly. because I believe it is made up with this potato spirit; it is no rum at all, but a fictitious compound.

2001. But you have given in evidence already that you think well distilled grain spirits made in this country form a wholesome beverage?—I did not say that such spirit forms a wholesome beverage, but I say that it may be blended with malt whiskey to form a wholesome beverage; it dilutes it down; it is pure alcohol, and the result is that there is a smaller quantity of essential oils in the blend.

2002. Blended with malt whiskey, pure distilled grain spirit, made in this country, does not do any harm to the lieges in your opinion?—I think not.

2003. Does perfectly pure foreign spirit, blended with malt whiskey, do any harm to the lieges?—I have said already that I am not sure that such a thing existed as a perfectly pure mixture of ethylic alcohol and water as a German spirit.

2004. Are you aware that German spirit has been stated to us in evidence to be rather purer than any pot-still spirit in this country?—I am aware of that statement.

2005. And in spite of that you think that some such injury may be done by foreign spirit to the lieges of this country that we should put a differential tax upon it?—I beg your pardon. I observe it was said that this German spirit is purer than grain spirit; I challenge the tests which have been applied.

2006. We are likely to have a great deal more evidence upon that, and you have no experiments to prove that it is impurer?—No, I have not.

2007. Is there anything with regard to your scientific experiments that you would wish to bring before us, except the bottles that you have brought round?—I might show here the characteristic substances which are obtained from amylic alcohol; they are rather interesting. There (*pointing*) is the pear oil; it is got very easily from amylic alcohol; and then there is valeric acid. I tried to obtain these substances from that yellow oil of my own, and I could not get a trace of them.

Sir *Henry Roscoe.*

2008. When you say amylic alcohol, do you mean fusel oil?—I mean the higher alcohols.

2009. These (*pointing*) are materials you have obtained from amyl alcohol?—Yes; I got these from one of those little vials of fusel oil.

2010. There is nothing new in these facts, that you get, for instance, valeric acid from the amylic alcohol?—No; I merely submitted them to Dr. Bell and others as easy tests of the presence of the higher alcohols. It is very easy to get these substances out of any spirit in which amylic alcohol is present.

2011. I want to know whether these materials were present in the spirit, or have you obtained them from the amylic alcohol, by a chemical process?—From the amylic alcohol, by a chemical process.

2012. You do not bring these samples before us as being substances contained in the whiskey?—No.

2013. Then what interest is there, as regards this investigation, in bringing these samples before us?—That I have tried what I call the essential, or fusel oil, of malt whiskey. I tried the same test with this and could not get these flavours, which shows that these higher alcohols are not present in malt whiskies at all.

2014. You mean amylic and the higher alcohols contained in malt whiskey?—Yes.

2015. When you speak of the impurities contained in foreign spirits, I understand that you have not made any experiments on the subject?—No.

2016. Then what reason have you for stating that you believe that there is so much of this impure spirit imported into this country?—Because Mr. Williams, the collector of Exise of Dundee, says it is imported; he ought to know.

2017. But he says that the quantity of pure foreign spirit imported into this country is also large, and I understand you to deny that fact?—I do not deny that; I say it may be pure or it may be impure; but what I say is that the *onus probandi* lies upon Mr. Williams of showing that all the impure is methylated. There is the temptation; there is no check upon that being sold for consumption, and there is a great temptation to buy it and put it into consumption.

2018. But there is a large quantity, according to Mr. Williams, which is a perfectly pure spirit, as pure as the spirit obtained by the patent stills in England?—So he says.

2019. Then what evidence have you to bring before us that that is not so?—His own evidence that the impure spirit does come. But the point I contend for is this: he says that the impure spirit comes, but it is all used for methylation. Now, the *onus probandi* lies upon him to show that it is all used for methylation, and that it does not go into consumption.

2020. But you went further than that in your evidence, and gave it as your own opinion that the whole of the spirit coming over from Germany is less pure than the patent spirit obtained in England; is that your opinion, or not?—What is shown by chemical tests to be pure spirit you call pure spirit. I believe that chemical tests applied to the purer qualities of German spirit show it to be quite as pure as what is made in patent stills in this country; but for all that I maintain that any tests we have are faulty; there may be poisonous bodies present in German spirits made from these roots which, owing to the similarity of their boiling point, and of their vapour tension, to that of

Sir *Henry Roscoe*—continued.

spirit made from grain, makes it impossible to separate these other bodies from pure spirit.

2021. Then, assuming that to be so, the same difficulty will apply, I suppose, to the detection of these impurities in the English patent spirit as well as in the German?—Yes, quite so. All we have to go upon is this, that the one is made from grain, the other is made from roots; and we know that we find in the market very impure spirits, and we find at those low public-houses spirits are given out, and they have a very bad effect upon those who take them, and people get drunk inadvertently through drinking bad spirit.

2022. Have you any chemical evidence to bring before us in contradiction to that which we have already received, namely, that the whiskey taken from the lowest public-houses in Scotland and Ireland appears to be a genuine article?—I have no chemical evidence to show as to that.

2023. Then all your evidence is that people get drunk on that whiskey?—On a very small quantity of it, inadvertently, a single glass of it.

2024. Do you think that that is a test which is of much value?—I should say so.

2025. Are not some people more easily upset by spirit than others?—Well, I can just give you an instance: a friend came to see me the evening before I came here, and I was showing these three samples of oils to him, and in regard to the flavour of the potato oil, he said, "I recognise that flavour because I once went to a public-house and drank spirit with that flavour, and a single glass had a very bad effect upon me; I felt myself quite giddy and stupid with it. I know from the flavour of that, that it must have been that spirit I was drinking."

2026. Do we understand that you are in favour of bonding the patent-still spirit, the Coffey-still spirit made in England, inasmuch as it is said to improve it?—I have given evidence already to show that it increases in value 2 *d.* per gallon per year; and that in itself points to the advantage of its being bonded. The trade are the best judges.

2027. Have you ever examined chemically the grain spirit or patent spirit, which has been kept in bond for any length of time, as against the new?—I may say that I have. There are certain tests that have been given for fusel oil, which are perfectly fallacious. There is the permanganate test which is perfectly fallacious.

2028. Have you ever made any satisfactory test of your own, with regard to the changes taking place in the patent-spirit kept in bond for some time, and the freshly prepared?—I cannot speak as to that matter chemically, but I may express my opinion that what has been said before this Committee as to the formation of compound ethers is wrong, I do not believe in any such thing as that, in the ageing of spirits.

2029. You have studied chemistry; have you any theory to propound in opposition to that; what is your theory of the ageing of spirit and maturing of it?—I believe the oil gets dissipated, but I believe that the higher alcohols are never touched; if they are originally in the spirit they remain throughout in the spirit.

Sir *Henry Roscoe*—continued.

2030. Then what is it that disappears?—I may mention about this oil of mine; I prepared it 25 years ago, and I happened to look at a specimen prepared 25 years ago, and it appoared to have lost all flavour altogether. Now I maintain that with regard to the presence of this oil in malt whiskey, the bad flavour is dissipated; it gets more mild.

2031. But you cannot tell us exactly what these materials are that disappear?—No, I cannot.

2032. Do you think that that is not known at all by anybody?—No, I do not think it. It is simply dissipated through age.

2033. What is dissipated?—The peculiar flavour of the oil.

2034. But what is the oil?—It is an essential oil.

2035. Have you ever got it?—There it is (*pointing*).

2036. Is that the dark substance in the bottle?—Yes, the dark substance in the bottle.

2037. You have not examined it chemically?—I have.

2038. What is it?—It is an essential oil. You must be aware that essential oils are chemically almost all the same; you can scarcely find out by analysis; but by the smell you know the different kinds very easily; but if you allow an essential oil to be in any unstoppered bottle, if you expose it for some time to the atmosphere, the smell is dissipated.

2039. Is it the same essential oil that you obtain from grain, and from malt spirit?—No, they are perfectly different,

2040. Have you any samples of the oils from each of those?—There is a sample of each; they are totally different; there is no comparison whatever between them.

2041. Which is the essential oil from the grain?—It is labelled.

2042. When you talk about essential oil do you call fusel oil an essential oil?—It goes under the name of fusel oil; the word has been used before this Committee all along. All substances present in whiskey in spirit, other than ethylic alcohol and water, have gone hitherto before this Committee under the name of fusel oil; so I just applied that name.

2043. But here I have two different samples; one is colourless; the other is dark coloured; one is labelled by you "Fusel oil from grain spirit," and the other is labelled "Oil extracted from malt whiskey;" now I want to know whether you have taken the same chemical process to extract the two different things; is this which you have labelled "Oil," with the dark colour, obtained from malt whiskey in the same way as this labelled "Fusel oil" is obtained from the grain spirit?—None of these are obtained directly from the spirit; they are obtained from the vessels in which the impure part of the spirit is kept; they are deposited in those vessels, and we hold, that the minute quantities of these oils present in the whiskey are the same thing as the much larger part precipitated upon the vessels.

2044. That is not an answer to my question; I want to know how you got this dark oil?—I got that dark oil from the impure stuff that we take out of our spirit. We first distil our wash

Sir *Henry Roscoe*—continued.

wash, and we get low wines: we then re-distil it. In the first part impure spirit comes over, that is to say spirit in which a large proportion of that oil is present; that is called foreshot, and when we find that begins to cease to come over, then we turn it into a separate vessel.

2045. As I understand, this dark substance is got from the low wine?—From the fore-shot.

2046. And this fusel oil (*pointing*)?—That is from the feints; that is found in the vessels in which the after-parts of the distillates are that come over from the pot-still; and the wash that is used for distilling in the patent-still is made from different materials from that which we use.

2047. Still I want to get to know whether this sample from the malt whiskey corresponds to this sample from the grain spirit whiskey?—I believe it does, quite.

2048. You mean that by the same process in the one case you have obtained this (*pointing*), and in the other you have obtained this (*pointing*)?—Quite so.

2049. But do you mean to tell us that what you call an essential oil of this character cannot be obtained in the distillation of the grain spirit?—If the wash of grain spirit were distilled in pot-stills you might possibly get some of it.

2050. It is from the wash?—From the wash. These oils are generated contemporaneously with the ethylic alcohol in the fermentation of the wash.

Mr. *Healy.*

2051. What is your make of whiskey called?—Pure malt.

2052. But have you any trade name for it?—Yes, we have: "Pure Highland Malt Whiskey."

2053. You, I presume, get a high price for your whiskey in the trade?—Yes.

2054. Are you aware if whether your whiskey in bond is liable to be sophisticated by the addition of inferior whiskies?—Not in our bond; but in the general bond it is.

2055. Do you approve of the Government system whereby makers of a high class article are liable in the Government stores to have their whiskies blended with other and inferior articles, and sold as of their make?—Certainly not. I have answered that very definitely indeed; I think it is highly objectionable; it is not right; it is not correct.

2056. Do you by that answer mean that it does not occur?—No; I mean to say it is not a fact that it is pure Highland malt whiskey; it is a fraud upon the public.

2057. And you would be in favour of legislation whereby that would be prevented?—Certainly, I would be in favour of legislation that would prevent an article being sold under a name that does not belong to it.

2058. Would that then be a considerable protection and benefit to the makers of the superior article;—Yes, and to the public. The public want our whiskey; they should get what they want.

2059. And in the same way you, I presume, would be opposed to allowing to be sold under

Mr. *Healy*—continued.

the name of whiskey an article which was a silent spirit?—Yes; it is a fraud upon us as well as upon the public, to sell it as malt whisky.

2060. And you would object to having sold as whiskey a blend of silent spirit and malt whiskies; you would object to a blend of silent spirit and malt whiskey being sold as malt whiskey or whiskey?—No, not as whiskey. It might be sold as whiskey, but not as malt whiskey.

2061. I presume you have read a great deal of the evidence given here?—Yes, I have studied it a great deal.

2062. Do you agree that it is unfair to class as whiskey any article not made from a pot-still, and from malt or malt and barley?—Patent-still raw-grain whiskey is called whiskey.

2063. I am aware of that; my question is, do you think it a fair thing to the public or to the manufacturers of real malt whiskey that an article which is only an invention of modern times, and which is not true whiskey, should be sold as whiskey?—I would rather not say that, as it is sold as such. A person goes into a public-house in the Lowlands of Scotland, and buys pure patent-still spirit, and it is sold to him as whiskey, and he knows that it is patent-still whiskey, and he drinks it as whiskey.

2064. But my question is would you be in favour of our marking by a difference of title, "patent spirit" and "malt whiskey"?—Although it would be my interest to have that done, I think it would be so harassing that I am not prepared to say that much.

2065. Who would it harass?—It would harass the publican; it would harass the dealers as well too.

2066. Are these the only persons whose interests are to be considered; is there not the general public as well as the small class of publicans, and would it not benefit the general public?—That is all very true, but as long as a blend is not sold as malt whiskey I should have no objection to grain spirit being sold as whiskey. Let it be sold as a blend, then there is no harm.

2067. Do you consider that the production of a patent still made out of unmalted grain is whiskey?—There is no such thing as whiskey made from unmalted grain altogether; there is always a certain proportion, usually a fourth, of malt, added even to patent-still whiskey which is called grain whiskey. There is no such thing I say as whiskey made entirely from unmalted grain; there is always a certain proportion of malt used.

2068. Granting you that proportion, do you consider that the product of a patent still under such circumstances is whiskey?—I am not prepared to say otherwise, inasmuch as a certain proportion of malt is used in making it. I find in the Appendix to your Report that in a patent-still spirit in this country about a fourth part of malt is used in making it, and I am not prepared to say that that should not be sold as whiskey (though it would be my interest to say so), inasmuch as they use a proportion of malt.

2069. Supposing it was made say from potatoes, would you call it whiskey?—I have already said that if any patent still distiller in this country were to use potatoes he would ruin his business.

Mr. *Healy*—continued.

2070. That is not my question; my question is would you consider that a spirit made from potatoes could be whiskey?—I do not think so at all.

2071. Then would you be in favour of legislation which should prevent the admixture of a patent spirit imported from Germany with the whiskies in this country?—I would take very decided steps to prevent that.

2072. And to prevent that admixture in bond under the nose of the Government?—Certainly.

Mr. *Somervell.*

2073. Have you seen the samples of various foreign German spirits of different origins?—Yes, I have several times seen them.

2074. And is the odour of a potato spirit different from that of a grain spirit?—Yes; if you drink it it goes away like ether.

2075. Therefore, although these spirits are called chemically pure, there is no difficulty in distinguishing both by the smell and the taste the origin from which they come?—I think an expert would be able to distinguish them.

2076. I think you said that you did not think that the fusel oil changed its character?—I said so.

2077. Have you ever tried the action of oxygen upon a spirit containing fusel oil?—No, I have not.

2078. You are not aware that Dr. Thorne has made experiments by acting with oxygen upon a spirit containing fusel oil, and found in a short time that the fusel oil, was reduced to one-fifth of the original?—I am not aware of that; I should like to know the conditions under which that experiment was performed. I doubt it very much, because by the oxidation of the higher alcohols we get these strongly smelling acids which prevail in the room just now.

2079. You were not aware before that oxidation could take place in regard to fusel oil?—With regard to the oxidation of the higher alcohols which constitute the fusel oil of grain spirit or potato spirit, the oxidation of that would produce these offensive acids. I should like to know more about the conditions under which these experiments were made.

2080. You did not tell us the quantity of whiskey you make yourself in the year; I will not press that question unless you like to tell me?—About the average quantity that is made in distilleries the north of Scotland.

2081. I only wish to give you the opportunity of stating it if you desire to?—I looked yesterday in a book in which there is an account given of the north of Scotland Malt Distilleries, and I am put down in that book as making 75,000 gallons a-year.

Chairman.

2082. Is that approximately correct?—It was correct three or four years ago, but since the depression in trade I do not make quite so much.

Mr. *Somervell.*

2083. I was leading up to the bonding question. You are opposed to the compulsory bonding of spirits for a time?—Yes, I am.

Mr. *Somervell*—continued.

2084. If that was the case can you say whether the trade generally have sufficient warehouses to keep the spirit; would it not be necessary that there should be a considerable increase in the number of bonded warehouses?—I am not very sure if I would be allowed to mention a matter which I feel very strongly upon in connection with that subject, because it has something to do with the land laws. The fact is this: I, as well as other distillers, have been badly punished in that we have to lay out a great deal of money in the erection of bonded warehouses on our premises, and many of us have not that tenure of land which we ought to have in laying out our money.

2085. I want to find out whether you have any views as to the duty of the Government in providing further facilities for bonding?—The Government bonded warehouses are going out altogether. At one time they had a number of bonded warehouses; but now they have very few, and they are going out of it; and spirits are mostly lodged in the distillers' warehouses. The trade take advantage of maturing their spirit with us; it is done without rent; and that compels us to lay out large sums of money on other people's land for the purpose of giving that accommodation.

2086. Assuming it was thought desirable that spirits should be aged, is it your view that the Government should provide the bonded warehousing accommodation?—I should like very much to see that.

2087. Do you mean that you would be willing to pay rent if the Government provided the bonded warehouses?—Oh, yes.

Mr. *Jackson.*

2088. But you would prefer not?—We should like it very much indeed if we had at least compensation for the money we lay out. We lay out thousands of pounds for maturing spirits, and we should not like to be under the necessity.

2089. But do you think if the Government provided the warehouses the people who use the whiskey would be willing to pay a moderate rent?—Yes.

Chairman.

2090. Would you give the Government a share of the profit of the 6 *d.* per gallon per annum?—Oh, no; they will easily get a bonded rent; a penny for 40 gallons per month, I think it is (I speak under correction); there is a definite scale of rent that has been hitherto charged by the Government for lodging spirits in their bonded warehouses; but there are very few of such warehouses now.

Mr. *Somervell.*

2091. As representing the trade, is it the desire of the trade that the Government should give increased facilities for bonding spirit at a rent?—Yes, they would like that very much; and I have given the reason.

2092. There is a small differential duty, 4 *d.* I think, in regard to German spirits, at present?—Yes.

2093. You said that you wished 2 *s.* extra to be imposed on them?—Supposing it was 2 *s.* extra, or 2 *s.* altogether over the home duty.

2094. Do

Mr. *Somervell*—continued.

2094. Do you consider that that 4 *d.* in differential duty is sufficient to cover the disadvantages that the distillers in this country labour under?—Yes, I think so; so far as that point is concerned. I do.

2095. Then why do you want the extra 2 *s.*?—To prevent German spirit, upon the purity of which there is no check, coming so much into this country, to the prejudice of the public health.

2096. Do you think it is a fraud on the public to call a German spirit whiskey?—Yes, decidedly.

Colonel *Hill.*

2097. I think your point about the silent spirit is this: that if it is quite pure it is then wholesome, but that it very often is not pure, and then it is not wholesome?—I do not say that it is wholesome when pure; but it may be used advantageously for blending with real whiskey, for toning it down, as it is cheaper. I never said that these spirits should be used alone; I do not think they should, though they are used by the lower classes in some parts of the country. I do not say that they are wholesome; on the whole, I think that all raw grain whiskies should be blended with pure pot-still whiskey.

2098. But you do say that when impure they are unwholesome; I understood you to say, in reply to the Chairman, that if the foreign spirit was pure it was then wholesome, but that it very often was not pure, in which case it was not wholesome; that is so, is it not?—That is so.

2099. And, in your opinion, does the impure spirit frequently get sold to the public?—Yes.

2100. And would you tell me the temptation there is to the unprincipled merchant to sell it to the public; that is to say, what is the difference in price between a British plain silent spirit and a foreign impure silent spirit?—If you refer to the auction list, which I have produced, you will find that grain spirit in this country fetches about 1 *s.* 6 *d.* a gallon, and this German spirit is never quoted at all. It is sold sometimes at 6½ *d.* per gallon.

Chairman.

2101. Is that the best kind?—No, the worst kinds; I believe the best kinds are sold up to 10 *d.* or so; I speak under correction because I am not quite sure, but I am not far off the mark.

Colonel *Hill.*

2102. But the temptation to use impure spirit amounts to 6 *d.* per gallon?—Decidedly more than 6 *d.* per gallon.

2103. Then, did I understand you rightly to say that if the spirit was so refined as to be absolutely pure, the origin was of no consequence, but if it was not so refined, the origin was of considerable consequence?—Yes. You might put it nearly so. I spoke about the scientific fact that there might be present, even in what is called pure German spirit, other bodies which it is impossible to separate by distillation.

2104. Then you would be satisfied if whiskey could be classified in this way: malt whiskey, blended whiskey and whiskey?—And plain grain spirit.

Colonel *Hill*—continued.

2105. I think I understood you to say that you do not deny the term "whiskey" to spirit that is not made exclusively from malt?—Call it grain whiskey; I do not say simply whiskey; I say distinguish it as grain whiskey.

2106. Then would you forbid the use of the term "whiskey" being applied to whiskey which was not made from malt?—I see no objection to that inasmuch as a proportion of malt is used by the raw grain distillers in this country.

2107. Then you would have the whiskey to be classified thus: "Malt whiskey," which is whiskey made entirely from malt; "blended whiskey," which would mean British silent spirit and malt whiskey; and the other compounds which you say is sold in the Lowlands of Scotland as whiskey, you would not allow to be called whiskey any longer; you would call that silent spirit?—No; I did not say so. If you will allow me I would make the classification in this way: I would allow whiskies to be sold as Highland malt whiskey, plain malt whiskey, grain whiskey, and blends of any of these in varying proportions; but I would object to anything being sold in which German spirit is used, as whiskey at all.

2108. What about the British spirit; what would you call that?—I say I would classify in this way: "Highland malt whiskey——"

2109. It does not matter whether it is made in the Highlands or not, I suppose?—It matters very much indeed; it is a matter of 1 *s.* a gallon; "Highland malt whiskey;" "plain malt whiskey"——

2110. What is the difference between "Highland malt whiskey" and "plain malt whiskey"?—The difference is very great indeed.

2111. I am ignorant; I want to know?—The Chairman did not put that question to me; but I will be very glad to answer it.

2112. The little difficulty I have is to distinguish between Highland malt and other malt?—Alluding to the list of prices obtained at auction sales and quoted in price lists for the produce of different distilleries, I daresay the question may be asked wherein consists the difference in quality determined by the best of all tests, the market price. The qualities from the different Highland distilleries differ among themselves, and they all fetch a much higher price than Lowland malt whiskey. The same processes are used in the whole of our distilleries, and I would not say but that in all of them good barley is used. No doubt more or less skill, and the greater or less suitability of the plant have something to do with the difference in value; but I hold that the quality of the water supply is of the utmost importance. If I were to go into full details on this question perhaps I should enter into technical matters not quite adapted for evidence here. The chemical study of natural waters is a special one. I may mention one or two points in connection with this investigation.

Chairman.

2113. We do not care for natural waters?—Natural waters which percolate agricultural districts,

Chairman—continued.

districts, as the waters of Lowland malt distilleries do, must contain organic matter of a different nature from those which rise in our primitive Highland rocks and drain our heath-clad hills. More or less of the organic matter present in the water supply of a distillery finds its way through all the processes into the finished spirit. Highland spirit owes its peaty flavour as much to the peculiar nature of the organic matter contained in the water supply as to the smoke from the peat used in drying the malt.

2114. That is going too much into detail; but one question upon that: would the good Highland water that comes from Loch Katrine to Glasgow not be as good for making whiskey as the water at Loch Katrine, from which it comes?—I do not know indeed; it comes through iron pipes.

2115. The mere fact of its being made in the Lowlands, not in the Highlands, with equally good water, would be no objection, would it?—I do not know. I appeal to the list; we get a price; the trade are the best judges.

Colonel *Hill.*

2116. I should like to have the classification of whiskey that you propose; "Highland malt," "plain malt," "grain whiskey"?—Yes, and blends of any of these.

2117. And then, if it was not blended at all, but entirely made from the patent still, what would you call it then?—I have maintained all along that even should it be raw-grain spirit it should be called whiskey still, inasmuch as a certain proportion of malt is used by the grain distillers.

Sir *Edward Harland.*

2118. You age or mature your whiskey in casks?—Yes.

2119. Do you use wooden casks made new for the purpose, or do you use old wine casks or foreign spirit casks?—We use both; but the price of sherry wine casks has got so exorbitantly high that it is so far a check upon their use.

2120. If you used sherry casks would it affect the colour of the whiskey?—It does.

2121. And how frequently would you use the same cask over again?—Very much would depend upon the kind of sherry originally in the cask. A poor thin sherry is of little use indeed in giving a flavour to the whiskey; but if it is a high-class sherry the oil of it goes into the staves of the cask, and that cask might be used twice at least.

2122. Do you think the more frequently you used the cask for the purpose the less effective would be the ageing of the whisky in that cask?—Yes.

2123. That is to say, that the newer the cask or the less frequently it had been used for ageing the whiskey, the more effectually it would age the whiskey?—That is to say sherry casks.

2124, Do you ever use a new cask which has never had anything in it before?—We must do that sometimes.

2125. Have you found that if you use a new cask it would age the whiskey more rapidly and satisfactorily than if that cask had been used

Sir *Edward Harland*—continued.

twenty or thirty times over?—Very much depends upon the oak staves. If it is not a hard oak stave but soft, the whiskey matures sooner. If the essential oils evaporate through the staves, if there are means for their doing so, the whiskey matures sooner.

2126. But in that case if a satisfactory ageing is due to this evaporation through the wood, would it not be just as satisfactory and complete if the cask had been used twenty or thirty times as if only once?—I daresay it would, with a porous oak cask.

2127. Is there anything left deposited in the wood which does not evaporate?—In my experience I make a great distinction in using refilled casks between casks that have been filled with grain spirit and casks which have been filled with good malt spirit. The whiskey matures much better in those which have been before filled with good malt spirit. I avoid as much as possible using for maturing any whiskey casks that have been used for grain spirit.

2128. Am I to gather that there is some deposit in the wood from the previous charge of new spirit which has been made, and which therefore interferes with the ageing of the second charge of spirit into the same cask?—If you put grain spirit into a cask and it matures there, I believe that that grain spirit goes into the staves of the cask, and that if that cask is used for maturing our spirit afterwards, it gives a nasty flavour, to our prejudice; but I do not know that any fusel oil from grain spirit finds its way into the staves of the cask; but no doubt the spirit itself finds its way.

2129. You do not think the fusel oil finds its way into the wood?—No, I do not think so.

Mr. *M'Ewan.*

2130. You stated to the Chairman that you believe that if any distiller of plain spirit in this country was known to use potatoes or any root it would destroy his business?—Yes.

2131. Why?—Because potato spirit is more impure; at one time potatoes were used in this country by the patent-still distillers; but it was found that they could not sell their stuff in the market and they had to give it up.

2132. Simply because it was impure?—Because the spirit was impure; it was more akin to German spirit, which is made from these materials.

2133. But it has been stated to us by chemists that the German spirit made from potatoes is the purest spirit that comes into this country; that it is purer than the spirit made from grain?—I am aware of that; that question has been put to me several times.

2134. Then the reason for not using potatoes would not arise from the fact that using potatoes would make the spirit impure, but that our distillers did not know how to use them?—I have challenged the meaning of that word "pure." It may be chemically pure by the tests now available, but I challenge those tests; there is something in potato spirit deleterious that is not found in spirit made from unmalted grain along with a little malt.

2135. Is

Mr. *M'Ewan*—continued.

2135. Is it possible to detect the difference between spirits made from potatoes and those made from grain?—Not by chemical tests; but experts can detect it.

2136. Is it possible to tell it by the palate?—Yes.

2137. If there were two samples of spirits placed before you, one made from potatoes and the other made from grain, would you undertake to tell which was which?—It is not my special department, but I think I almost could; I am a malt distiller; I am not a blender; but I think I could distinguish them.

2138. That would almost indicate that if there is a difference it cannot be very striking?—If I may use the expression the difference would be a physiological one; the one is harmful to take, the other is not; chemists may say German spirit is pure from a chemical point of view, but I challenge it.

2139. You stated that you would prevent the blending of German spirit with British whiskey or British spirit?—With home spirit I would say.

2140. On what ground?—Because I maintain that German spirit may be to a certain extent impure, and that impure spirit might be used.

2141. Assume that it is pure for the sake of argument; you said that there are pure and impure; assuming it to be pure what objection could you have to the blending?—The very fact that there is no check upon those spirits coming into this country perfectly pure, and that there is so much danger to the public health in their being used impure.

2142. It appears that there are pure and impure German spirits coming into this country; but you have admitted yourself that the distillers in this country frequently make impure spirits; is there any check upon them?—I never said "frequently;" I said that we are all fallible and may sometimes go wrong.

2143. That they occasionally make impure spirit?—I did not even say occasionally. I say, upon the whole, spirits of all kinds made in this country are well made and pure.

2144. But still when they are impure there is no check?—The only check is just the check of experts in the trade.

2145. And that is exactly the same check which exists in the case of foreign spirit?—Yes; but in the case of home distillers we have our character to maintain; in the other case the German cares nothing if he gets his money what kind of spirit he gives us.

2146. Many people prefer a blended spirit, do they not?—I daresay many do; I like a good blended whiskey myself.

2147. It is quite wholesome?—Quite wholesome; I trust to my spirit merchant to give me good blended whiskey if I want it, and he selects good whiskey from the distillers of various kinds of whiskey, which were classified by the honourable Member just now; what he considers will make a good blend; and very good blends are put into the market.

2148. Seeing that such a blend is quite wholesome and that it is preferred by many people——?—I did not say "preferred."

Mr. *M'Ewan*—continued.

2149. But it is preferred by many people; that is a fact that I know?—To Highland malt whiskey do you mean?

2150. I mean that blended whiskey is frequently preferred to one not blended, by many people. Seeing that it is preferred by many people and that it is quite wholesome, why should legislation be called for in the public interest. I cannot see that it is in the public interest that legislation should be called for to prevent the blended whiskey being sold under certain restrictions?—I have said all along that there is nothing to prevent that; only it should be sold under its proper name as blended whiskey.

2151. I thought in answer to Mr. Healy's question you said that it should be made difficult; that in the interests of the public it was necessary to prevent blended whiskey being sold unless special precautions were taken to inform the public that it was a blend?—I think you misunderstood me; I only urge that Highland malt whiskey should be sold as such when wanted; not blended up with plain spirits and sold as Highland malt whiskey.

Mr. *Boord.*

2152. You said just now that you thought you would be able to distinguish between potato spirit and grain spirit?—I think I could.

2153. I suppose there are plenty of people who could do so?—I should say, with all due deference to you as being in the trade, as I understand, that you could do it.

2154. Then, as a chemist, I suppose you would admit this; that if you can have chemically-pure alcohol there would be no means of distinguishing its origin at all?—No.

2155. Whether it came from potatoes or from rice or from grain or from beetroot, you could not distinguish if it were chemically pure?—What is chemically-pure alcohol? It is almost impossible to get it.

2156. It is certain proportions of carbon, hydrogen, and oxygen?—Is such a thing produced in manufacture at all?

2157. I am assuming that you have it; if you could have it chemically pure then you would not be able to distinguish its origin?—A mixture of ethylic alcohol and water is one thing, whatever it comes from.

2158. I mean pure ethylic alcohol and water; you could not distinguish its origin?—That is a truism.

2159. The means of distinguishing the various kinds of commercial spirit arise solely from their impurities?—Yes, from the substances present in them.

2160. When you were examined by Sir Henry Roscoe about those two samples of oil, one a brown substance and the other a colourless substance, I suppose you meant that you extracted them from the feints in each case?—Yes.

2161. One from whiskey feints and the other from grain spirit feints?—Yes.

2162. You spoke of malt patent spirit; do you know that any larger proportion than one-fourth of malt is used by manufacturers of patent spirit? I refer to the Appendix of the Blue Book, in which you find that the pot-still Irish distillers

Mr. *Boord*—continued.

use a mixture of about three parts malt and one part grain, and that makes a very good spirit, which fetches quite as high a price as our pure malt whiskey.

2163. But that is not quite my question; I thought you intended to imply by a remark you made in the earlier part of your examination that some manufacturers of patent spirit used a larger proportion than one-fourth of malt; some all malt; is that the case, or is it not?—Patent-still distillers in their mixtures usually use three-fourths grain and one-fourth malt; the Irish pot-still distillers usually use three-fourths malt, one-fourth grain, and that makes all the difference, inasmuch as there is a sufficient quantity of diastase present in the larger proportion of the malt, which is used by the Irish distillers to carry off the process of saccharification into maltose: there is sufficient dyastase used to carry off the process of saccharification into maltose or glucose.

2164. But are there, to your knowledge, any patent-still manufacturers in Scotland who use more than one-fourth of malt; are there any that use three-fourths of malt or half malt?—No, we we do not do that in Scotland. You will find full information in this Appendix.

Mr. *Jackson.*

2165. You said something about methylated spirit and about the qunntity of German spirit used for that purpose: is there any difficulty in discovering the amount which is used for methylation?—I think not; I think that the Customs might have a check upon that.

2166. Will you turn to the evidence at Question 630; is it the general practice to use the cheaper spirit for methylating purposes? As the quantity of German spirit coming into this country is increasing, I should say that there is every reason for using impure German spirit for methylation, because it is so very cheap.

2167. Supposing there were two kinds of German spirit, one at 6 *d.* and one at a 1 *s.*, would they be more likely to use the 6 *d.* than the 1 *s.* spirit for the purpose of methylation?—Certainly, because it serves the purpose of methylation quite as well as the dearer.

2168. There is no duty charged on the spirit used for methylation?—No.

2169. And, therefore, it is perfectly easy to find out how much of the spirit goes for methylating purposes?—Yes.

2170. And the difference between the quantity used for methylation and the quantity imported gives you the quantity which is used for consumption?—Yes; but that is assuming that you find out the quantity of German spirit which is methylated. I daresay here you only get the total quantity, British and foreign.

2171. But it is stated in answer to Question 630 that the total import is 3,199,470 gallons of German spirit; and that is accounted for, is it not, by 1,732,571 gallons, upon which duty is paid, and which presumably are used for drinking purposes?—Yes.

2172. And 1,023,157 gallons for methylating?—Yes.

Mr. *Jackson*—continued.

2173. And 104,000 odd gallons for export?—Yes.

2174. And 305,000 odd gallons operated on in bond presumably also for exportation?—Yes.

2175. And 34,000 gallons added for the increase of stock in warehouses?—Yes.

2176. And therefore, the whole quantity of German spirit is accounted for?—Yes, but not the quality.

2177. But would you not say that the cheaper qualities would be more likely to be used for methylating purposes than the dearer qualities?—Yes.

2178. And therefore if the total quantity imported of the cheap qualities is represented by those figures, it would be a fair deduction to draw that it went for the purpose of methylation?—Provided you can determine what are the cheap qualities. In those 3,000,000 here it might be possible that there might be 2,000,000 of impure and 1,000,000 of pure only; therefore, 1,000,000 of impure might go in consumption, the other 1,000,000 gallons being used for methylation.

2179. On the question of blending in bond, I think you stated in your evidence that you thought it was impossible to follow the spirits or prevent their being blended after they left the bond?—Yes.

2180. And I think you expressed the opinion also that it would be preferable if they were blended in bond?—What spirits, please?

2181. The spirits out of which whiskey is made.—Quite so; it would be a check, certainly.

2182. I thought your preference was that they should be blended in bond?—It would certainly be a check upon German spirit going out if that was done.

2183. And you prefer that to having them mixed after they have left the bond?—I do not see any harm in their being mixed after they have left the bond; it would be a great harassment to the trade if they were compelled to blend in bondonly.

2184. Then you think it does not matter very much whether they blend it in bond or out of bond?—No; if we have a check that impure spirit does not go into consumption.

2185. You cannot have any check of that kind in reference to home spirits?—You have only the check of the character of the home distillers; that they will give out well-manufactured spirits, otherwise they will lose their trade.

2186. Do you not think that will be the same with the Germans?—No, not at all; there is no check upon them.

2187. With regard to the German spirit bought in this country, is the particular firm of manufacturers known to the buyer?—As I understand (I do not speak from a full knowledge), the farmers and cattle feeders manufacture spirit in Germany; they have not the onerous Excise restrictions that we have; and they sell it to large merchants who purify it, or say that they purify it, and then send it to this country. I understand that that is the system.

Chairman.

2188. Supposing that there is a quality of German spirits which is pure, as has been told to

Chairman—continued.

us in evidence, would you object, outside the bond, that they should be used for blending?—No, if you could distinguish them.

2189. But supposing we have distinguished them sufficiently by accepting your proposal to charge them 2 *s.* a gallon, they would be healthy enough for the public then, would they not, to mix with the other whiskies for blending?—I propose that 2 *s.* as a prohibitory duty.

Mr. Andrew Drysdale, called in; and Examined.

Chairman.

2190. You are the Chairman of the Distillers' Company, Limited, Edinburgh, are you not?—Yes.

2191. What is that Company?—It is a Joint Stock Company that was made up of the principal grain distillers; they all joined together some 13 years ago; they have seven distilleries in Scotland, and they have one in Dublin, and a gin distillery in London.

2192. You have a couple of pot-still distilleries, have you not, in them?—We have two such distilleries; it is principally patent-still spirit, but there is pure pot malt whiskey made in them to a certain extent, not a large extent.

2193. What is your production of whiskey during the year; how much do you make?—The last three years we have averaged between eight and nine million gallons.

2194. Except in the case of those two small pot-stills you chiefly make from grain, do you not?—Grain and malt.

2195. About what proportion of the malt do you put in with the grain?—We use rather a large proportion of malt because our spirits are made principally for blending; we use from 25 to 30 per cent. of malt. I think you will find it stated in the Minutes of your Evidence last year what the proportion was.

2196. The grain that you use, I suppose, is usually maize or Indian corn?—Maize, barley, rye, and some proportion of oats.

2197. Do you sell that grain whiskey direct into the trade as grain whiskey?—We do not deal with retailers at all, but sell it to wholesale merchants and vendors, and from them it is passed on to the dealers; we do not blend.

2198. Do you sell any without maturing?—We mature some of it, but the large proportion is sold new, and is blended by our customers. We always like to have some old whiskey to sell, because it is rather a profitable business.

2199. On account of the malt in it you find it improves by bonding, do you not?—Very much indeed.

2200. You have a very large stock just now, have you not, in Scotland?—Of our own stock we have not above six months' make altogether. Including our customers' stock, we have about two years' make.

2201. Does the grain spirit go to the trade as whiskey without being mixed with other malt whiskies?—No, I cannot speak with certainty; you will have some blenders up by-and-bye to speak on that point; but my impression is that nearly all the whiskey in Scotland is blended whiskey.

Chairman—continued.

2202. Blended with pot-still whiskey?—Yes, with pot-still whiskey.

2203. And that it does not go into the trade as whiskey until it is blended?—As a rule, not.

2204. Does the blend take place in bond usually or not?—The blend takes place after it has left our custody; it is removed from our bond, as a rule, to our customers' private bond under bond and blended there. Others again pay the duty, or we pay it for them, and they take it home and blend it in their own stock; but it is principally done under bond by the blender in his own private bond for the purpose.

2205. Do you see any objection to the evidence given by the last witness, that malt whiskey should be sold as "pure malt whiskey"?—I do not see how it could be done.

2206. Why?—Because everybody in Scotland who buys a glass of whiskey knows perfectly well that he is buying blended whiskey; and with regard to malt whiskey there is a lot of malt whiskey of the very highest quality that people would not drink if it was pure malt whiskey; they would not drink it without a mixture of patent grain spirit.

2207. As a fact has not the taste in Scotland in recent years been growing for a blended whiskey containing more silent spirits, that is grain spirits, than before?—Yes; decidedly so.

2208. Are you of opinion like the last witness that there should be no compulsory period of bonding?—We should like very well to see that done if it could be done with fairness, that is to include the whole of the spirits of the kingdom; that is grain spirits, malt spirits, German spirits, everything else. But to do that I think a very great injustice would be done to a large portion of the trade.

2209. Why?—For instance, take the London distillers; the London distillers as a rule sell most of their spirits for making gin; gin does not improve one bit, at least very little. All spirits I hold improve by age, but it is not preceptible with the gin, so that to them it would be a very great hardship to be compelled to build large warehouses. Then another thing, there would be a great difficulty about the German spirit; if you allowed any exception or exemption to the spirits that went to the London rectifiers on the ground of their requiring to be rectified, the Germans would claim the same; but I hold that the German rectification and the English rectifiers' rectification are entirely different things; the German's is very much a chemical affair as far as I can understand it.

2210. How so?—I have no evidence to prove it, and I merely tell you what I hear from other people,

Chairman—continued.

people, but I understand that they get it in a crude state, first from the farmers, and they put it through some chemical process, and through charcoal and then get it into a Savalle-still; then the expense of their establishments, the rents of the warehouses and the modes of rectifying are most different from the London rectifier; he has a most expensive plant and could not do it at anything like the same expense as the Germans.

2211. Is not a high class German spirit as pure as our high class grain spirits?—Certainly not. In a chemical point of view it may be; I believe Dr. Bell's evidence as a chemical man is perfectly correct; but speaking of it as a matter of trade opinion, if you were to take all the whiskey drinkers in Scotland, they would not drink it, even of the very best quality.

2212. Exactly: but I suppose it is not whiskey at all, in the sense you mean?—It is not whiskey; it is made from potatoes principally, I believe.

2213. But may it not be equally pure?—It may in a chemical point of view.

2214. Or chemically purer?—I cannot say as to that, because I do not know anything about chemistry; but it is only in a chemical point of view that it can be called a pure spirit, in my opinion.

2215. What do you mean by pure spirit; supposing, with your ordinary test, you pour it upon your hand and find no smell from a perfectly pure German spirit and to find a smell from your best grain spirit, which is the purest?—I do not know that there would be so much difference in the smell, but in the taste there would be, undoubtedly.

2216. Because one is a whiskey and one not?—According to Mr. Bell the grain spirit was a pure alcohol spirit almost.

2217. In your grain spirit you have from 25 to 30 per cent. of malt in the preparation?—Yes.

2218. In the German spirits that is not always so?—I do not think there is any malt at all; they use acids instead of malt.

2219. You used to use acids too; is not that so?—Many years ago; but I think that has been dropped by all the distilleries; I can speak certainly for our Company.

2220. Formerly sulphuric acid was used for converting the starch into glucose?—Yes.

2221. But now it is used much less, I think. Now you think it would be impossible practically to bond all kinds of spirit compulsorily?—It could not be done practically, fairly to all the trade; I do not see how it could.

2222. Your spirits, which are, you say, grain and malt spirits, grain with about 25 or 30 per cent. of malt, improve very decidedly by ageing?—Distinctly.

2223. Does that spirit do so to the same extent as other whiskies?—I believe it improves every bit as much as malt, only that it ripens faster than malt; I should say that grain spirit three or four years of age would be far riper than malt whiskey a couple of years older.

2224. I think you yourself are a rectifier in London?—We have a rectifying house in London.

Chairman—continued.

2225. Do you think it would be a hard thing or not to require this compulsory bonding in the case of the Lowland whiskey; I forget what is the amount of it?—There are 6,000,000 gallons grain spirits given as going into the rectifiers.

2226. Is it not the case that with regard to the five or six millions produced in London from grain that they almost all go to gin-makers?—Not necessarily gin-makers, because they make compounds; British brandy, and other compounds; but the bulk of it goes to gin.

2227. To rectifiers and afterwards for compound spirits?—Yes.

2228. And a large proportion for gin?—Yes.

2229. Would you think it a hardship for that five or six millions to be compulsorily bonded when it is not to be used for whiskey at all?—I would.

2230. Therefore, although it might benefit the Scotch makers to bond their spirits for some time where they are going to be used as whiskey, the same grain spirit made with the same proportion, or nearly the same proportion of malt in London should not be put into bond, because it is to be used for other purposes?—I should think so. Then another thing against allowing the London spirits exemption from being bonded; if you allow them to go into the rectifier's place, and after they were rectified it was open to the rectifier to do anything he liked with them, then it could be used for mixing with Scotch whiskey of seven or eight years, and the money laid out in bonding would be rendered useless.

2231. Practically, you think it would be impossible to apply it?—Except you apply it to every spirit, both British and foreign.

2232. For instance, I think you said you would not propose to apply it to the five or six million gallons of London make which are used for gin or other compounds, and would receive no benefit whatever from bonding?—If it is applied to any it should be applied, and must be applied, to them; but it would be a great hardship if it was carried out.

2233. And would be of no use?—Not for gin, but it might be for other purposes with regard to that made for blending.

2234. But very little or none of the London make, the five or six million gallons, goes for the purpose of blending?—Not just now I think.

2235. I think you are not in favour of compulsory bonding on that account?—I would be in favour of it if it could be done fairly all round, but I do not see how it can.

Mr. *M'Ewan.*

2236. Mr. Ross has told us that the price of grain spirit rises 2 *d.* per gallon per year by age?—More than that; the warehouse expenses are more than that. I should say not less than 4 *d.* for grain spirit.

2237. He said a grain spirit rises 2 *d.* per gallon and up to six years, and malt 4 *d.* or 6 *d.* per gallon up to 10 years?—Grain spirit rises not less than 3 *d.*, and in some cases 4 *d.* per gallon per annum in Scotland.

2238. Does that sufficiently repay the distiller for the capital sum he has laid out?—Yes; if you

Mr. *M'Ewan*—continued.

you take any price lists just now of old grain spirits, to show you how blenders and the trade look at the value of ageing on grain spirits, if you look at those lists at auctions in Scotland, take some of our distilleries, and you will find that spirits with three or four years age will fetch as much money as Lowland malt whiskey of the same age.

2239. So that it might be in the interest of the distiller to store his whiskey as a speculation?—It would be a good investment if he had plenty of warehouse room.

2240. So that really there is no need to call in the aid of the Government to make people bond their spirits compulsorily?—No.

2241. It pays the distiller to bond it for them?—No doubt, both the distiller and the blenders.

Sir *Edward Harland.*

2242. You spoke of the whiskey distilled by your company and generally in Scotland?—I will only speak for our own company.

2243. You said that it was used for blending?—Principally.

2244. Then the Chairman put a question which led to your answer to the effect that it was blended with other pot-still whiskies?—Yes, malt whiskies.

2245. Is it in no case or very rarely blended with patent-still spirit?—Patent-still spirit and grain spirit are the same.

2246. Irrespective of the description of still?—It is the patent still that makes the difference; I hold that the material that we use is in every respect as wholesome (we buy the very best quality) and good as that used in the highest priced whiskey in Scotland; so that it is perfectly as wholesome in every way.

Mr. *M'Ewan.*

2247. You say that most of the whiskies sold in Scotland are blended whiskies?—Yes.

2248. Am I to understand that almost all the whiskey used in Scotland is a blend of grain spirit?—I believe so, and I believe that the public know it.

2249. And like it?—And like it.

Mr. *Somervell.*

2250. I think you were asked a question which you hardly appreciated when you gave the answer you did to Mr. M'Ewan. You told us you had only six months of your own stock in bond, and two years' including the customers. Mr. M'Ewan asked whether it pays the distiller to bond it for his customers, and you said "Yes;" you get no profit out of it, do you?—If we keep it on our own account.

2251. It does not pay the distiller to keep it for other people?—For the first six months we get no rent, but after that we get rent regularly.

2252. It is only a question of rent?—We put on a price sufficient to cover the rent and the expenses. All spirit requires a very great deal of looking after in bond and the warehouse rent-charge is sufficient to cover the expenses.

Mr. *Somervell*—continued.

2253. The profit goes to your customers, not to you?—The profit goes to the blender, but we get a profit on what we keep and sell as old.

2254. What is the price of new grain whiskey?—There has been an advance recently; the present price of new grain spirit is 1 *s.* 8 *d.*; off that there is a little allowance; in an ordinary way we may say net cash for the very largest buyers, 1 *s.* 6½ *d.*; that is the usual price for all grain spirits; there are some of our distilleries that get 2 *d.* a gallon more on account of the quality.

2255. Is that on account of using more malt?—No; the customers have a taste for it, and will have it.

2256. Dr. Bell told us that patent-still spirit was practically a pure spirit; but what is the difference in quantity of whiskey that you would get from a quarter of raw grain and a quarter of malt?—I could not tell you exactly, but more would be got from a quarter of raw grain than from the malt.

2257. You use a certain proportion of malt, according to the different character that it gives to the spirit?—Yes, it alters the working in the mash tun

2258. And you think that that produces a different spirit?—A better spirit for blending purposes for beverage; for making gin it would not.

2259. So that whatever the result chemically may be you find that as a matter of practice for smell and taste there is a great difference in the material that you use to produce your patent-still spirit?—Yes. Then another thing I should mention: that spirit made from good wholesome grain, as ours is, always improves; but spirits made from roots, molasses, or beet or sugar, do not. Thirty or 40 years ago, before molasses were brought in for distillation, we tried a working from molasses spirits; we found the spirits very nice indeed so long as they were new, but we got into no end of trouble about them; we took 2 *d.* a gallon less for them, and told people what they were; but we had no end of trouble, and our customers had no end of trouble, because when they were kept they went all wrong.

2260. You, as a practical man, say that it is very material what substances are used to produce a spirit in any patent-still?—I say it is very material.

2261. There has been handed to me a specimen of the system adopted in Canada for bonding and bottling; there is the Government mark on this bottle (*exhibiting it*); have you any wish to see that system adopted in this country?—No.

2262. And they have a system by which that can be carried out?—Yes; as far as our company is concerned it would not affect our company.

2263. But there would be no practical difficulty in carrying it out?—It would be a question of having more Excise officers.

2264. It is done in Canada?—I believe so. It is a question of expense.

Mr. *Healy.*

2265. As I understand, you think that nothing can be done by legislation to improve the quality of the goods the public get for their money?—Well, you know, a deputation of the distillers went up to the Chancellor of the Exchequer some time ago, and we were very desirous to try and exclude the mixtures of German spirits; because, though people say that the low qualities go for methyl and for methyl only, up to recently you could buy German spirits, with the cask included, at 6½ *d.* or 7 *d.* a gallon; and that price went on to 1 *s.* or 1 *s.* 2 *d.*; I consider that that spirit at 7 *d.*, as far as methylating was concerned, was quite as good for the methylator's purposes as the spirit at 1 *s.* 2 *d.* The price graduated at 8 *d.*, 9 *d.*, 10 *d.*, and 11 *d.*; and what became of all those spirits at 8 *d.*, 9 *d.*, 10 *d.*, and 11 *d.*? I say that spirit went into consumption as an adulterant; and we tried if we could get the Chancellor of the Exchequer to adopt some system whereby the restrictions in bond could be carried out after they left bond; but I see that the difficulties would be enormous; you would require a whole army of people to be able to carry it out.

2266. When the public pays 10 *s.* a gallon to the Government for its whiskey, do not you think the least thing that you can call on the Government to do is to give a man an honest article, or see that he gets it?—I believe he does get it now generally.

2267. You think really, then, that this German spirit grievance that you represented to the Chancellor of the Exchequer was no grievance at all?—As far as under bond is concerned; but after it goes out of bond the Government have nothing more to do with it.

Chairman.

2268. They are not allowed to blend it in bond?—Not for home consumption.

Mr. *Healy.*

2269. But there is nothing to stop a man bringing home these goods from Germany in bond and then sending them out from this country to the colonies or foreign countries as Irish or Scotch whiskies?—There is nothing to prevent that, and I think that a very great hardship for the distillers.

2270. And could you make no practical suggestion to the Chancellor of the Exchequer with a view of checking that fraud?—The only way would be to practically do the same as they do in home consumption; that is, prohibit from mixing in bond at all; or if they did allow it for exportation to have some distinguishing mark on the casks, because after they come out of the Excise hands they pass through the Customs, and the Customs could then see if this proper brand was put on, if there was a mixture of German spirits there.

2271. Do you consider that the Government ought to have acceded to your views and mitigated that grievance as regards the spirit that goes out in bond to foreign countries and the colonies?—We did not press it; our great object was to look after our own trade; the home consumption.

Mr. *Healy*—continued.

2272. Would it not benefit the home trader if the quality of the article which he sends out was recognised abroad?—No doubt.

2273. And it is better to have half a loaf than no bread?—The Merchandise Marks Act does something now; it used to be the practice to send over stuff from Hamburg; I know a seizure was made by the Customs of some marked "pure Scotch whiskey" and every drop was made in Hamburg; that was stopped by the Customs under the Merchandise Marks Act.

2274. That is a wholly different question from the question we are now on?—Yes. They could of course put a stop to the blending for export if they liked, the same as for home consumption.

2275. And you think they ought?—We should like it certainly.

2276. Do you think you could give the Committee any idea how far this blending of German spirits with British and Scotch and Irish whiskey goes on for home consumption?—It can only go on after it leaves the Government's custody. I have been told that a certain class of men offer small quantities to publicans, say quarter casks, 30 gallon casks, and they can take it in duty paid, and a lot of it finds its way into rum, British brandy, Irish whiskey, and Scotch whiskey.

2277. I suppose as an expert or a tester you could not detect it?—I could not; I do not profess to be an expert, but there are experts that could.

2278. But the general palate of the public could not detect it?—If it was not overdone; if it was only done in small quantities they could not; that is only done I believe in low localities where it is a matter of cheapness; in a good respectable public-house I do not suppose that is carried on.

2279. Do you think it would be a right thing that the Government should prevent a low blend of German spirit being mixed with a high blend of British or Irish stuff; it is not now allowed; do you think that is right?—Yes.

2280. Having got that far do you not think it would be equally right to prevent a low blend of Scotch or Irish whiskey being mixed with a high blend of Scotch or Irish whiskey?—Who is to decide where the line is to be drawn?

2281. Let us go by steps; you think it right that the German low price mixture should be prevented from being blended with the native high price article?—Yes.

2282. And you think that the Government are right in stopping that?—If they can.

Mr. *M'Ewan.*

2283. In bond, that is to say?—In bond.

Mr *Healy.*

2284. I am speaking of what is done in bond; but when it comes to mixing a native low class article with a native high class article you think that ought not to be prevented?—It is difficult to draw the line between a high class and a low class article.

2285. I will use the word "price;" supposing you had a whiskey turned out at 1 *s.* 6 *d.* would you

Mr. *Healy*—continued.

you think it a right thing to prevent that being blended with a whiskey that might be worth 4 *s.* or 5 *s.*?—That is a question for the blender; he is the best judge of what will suit his customers; and it is a question of price. If you begin at prices and draw the line at qualities, I do not see then how it is to be carried out.

2286. Why should not a German have the right also to mix his 7½ *d.* whiskey with your 4 *s.* whiskey, if the native is allowed to do it?—Because they are quite different things; that is to say, the one is made from potatoes and low-class materials, and the bulk of the spirit made in this country from patent-stills is just as good a quality and sound and wholesome as that made by any distiller in the kingdom; at least I can speak for our own company.

2287. But I understand that Dr. Bell says that the German 7½ *d.* spirit is a pure spirit, absolutely purer, I think, than the native?—Chemically, I believe that Dr. Bell may be right, but practically he will get no whiskey drinker in Scotland to agree with him.

2288. Your only objection, then, to the blending of a low-price stuff with a high-price article is that, when it comes from Germany, it is made from potatoes?—That is one thing; and the process of manufacture is entirely different.

2289. But if he get it chemically pure, which is the great chemical argument (and the allegation made by Dr. Bell is that the manufacture in Germany is so good that it is a better style of manufacture than yours), why should not that view prevail, and the German be allowed absolute free trade in bond as you are?—Because the consumers will not agree with Dr. Bell. I have spoken to a great many of the dealers in Scotland, and I have not heard one of them that agreed with him in the very smallest degree; on the contrary, they take the opposite opinion to Dr. Bell. He is right chemically, no doubt, but from a trader's point of view and the view of the public, I believe he is altogether wrong.

2290. Is there any spirit made in this country from potatoes?—No, I do not think so.

2291. Is there anything to prevent a person manufacturing whiskey in this country from potatoes?—That has never been done so far as I am aware, and I think before it could be done there would require to be excise regulations laid down; and the bulk is so great that excise regulations would prevent it. I do not know that there is any law against it.

2292. Then you think that the only thing for this Committee to do is to report that nothing should be done?—I cannot see how anything can be done with justice to all the trade. I should like, if it could be done, to stop the mixing of very inferior spirit duty paid, but I cannot see how it can be done without an expense that no Government could go to.

2293. Then the public must be left at the mercy of the trade?—But it is not more the case in spirits than it is in every other article of food, beer and everything else; you could not get any article of food to be sold to the public with the component parts stated on it; you must depend upon the respectability of the man and the people's own judgment; you cannot have the Government keeping the people right.

Mr. *Healy*—continued.

2294. But I suppose that up to the invention of the Coffey patent-still, whiskey was an article made in a pot-still and made from malt?—Malt and grain. And very foul stuff it was, I have been told.

2295. We may take it to be your view then that the introduction of the patent-still and the patent whiskey, which is a silent spirit, is a good thing for the country?—I believe it is; it gives them a cheaper and a perfectly wholesome spirit, and it improves the others. The very highest-priced whiskey in Scotland would not sell in most cases without a mixture of patent grain spirit.

2296. Could it not be put in this way, that that class of trade had to some extent debauched the public taste?—There would be some difficulty in getting the public to believe that.

Sir *Henry Roscoe.*

2297. Do you agree with the view that was expressed or suggested by the last witness with regard to the labelling of the different kinds of whiskey made, that they should be called "pure malt whiskey," "Highland," and so forth?—It is quite impracticable; the Excise would not go to the expense; they would require to keep a perfect army.

2298. It would be so complicated, you mean?—It would be so complicated and would involve such a lot of labour; and it would put a stop to a great deal of trade. The blending trade now is a most important industry in Scotland, and they are most respectable men, the blenders in Scotland, and they employ a large number of men, and are possessed of large capital, and it would upset a large class of people if that trade was stopped.

2299. And you think the dealers or manufacturers of the Highland whiskey would take care to label it for themselves?—Every one would take care to have his own label; but labelling would check the trade, for a time at any rate, most materially.

Chairman.

2300. The honourable Member suggested to you that it might be desirable to prevent by law inferior whiskies being mixed with superior whiskies. Now, we have been told in evidence that Irish whiskey is made sometimes from three-quarters malt and one-quarter grain, and that Scotch whiskey is just the reverse, made with one-quarter malt and three-quarters grain; now would you think it right for the Irish distillers to be able to say, The Scotch inferior article made with three-quarters grain must not be mixed with our superior article made with three-quarters malt?—I do not see how they could have any right to have it done; I do not see how it could be done.

2301. If that would be a great evil to the trade, have you then a right to say that if a person wishes, outside bond, to mix grain spirits with your grain whiskies or any other, they have not a right to do so?—German spirit is quite a different article, quite a different material, produced in a different way, not the same thing at all.

2302. But supposing it is much purer, and that the people like to drink it, why should they not be allowed to do so?—That is what we dispute;

Chairman—continued.

we say that it is not purer, and they would not drink it.

2303. But if they would not drink it, it would not get into consumption; but supposing they desire to drink it, and the publican finds it advantageous to mix a certain quantity of the silent spirit with the other, and his customers do drink it, why should he be prevented?—He is not prevented, so far as the duty-paid spirits are concerned; but he runs the risk of ruining his trade if he sells an inferior article.

2304. We want to know whether you approve of the suggestion that that should be considered adulteration in point of law?—You are going on a wrong basis, I think, in saying that some of the Irish distillers distil from three parts malt, and one part grain; are you sure that is a fact?

2305. It was given in evidence to-day?—I should question that. On the contrary, I believe our patent grain spirit contains as much malt as most Irish pot-still whiskey, and that if you refer to the Appendix to your own evidence you will find it is there stated that in distilleries in Scotland, where there is nothing but patent stills, the average is 32·6, whereas in Ireland it is 32·4.

Chairman—continued.

Mr. *M'Ewan.*

2306. You said that spirits made from molasses did not improve with age?—No, neither does German spirit.

2307. Rum is made from molasses?—A certain class of rum improves.

2308. Does it not always improve?—I rather think that rum is made from sugar cane, not from molasses. There is first the sugar, then the rum; then after that comes molasses, which is of lower quality.

2309. You do not think it would be owing to any want of skill on your own part in using a material to which you were not accustomed, that you did not succeed better?—It might be that; but still we have often made spirits for mythylation from molasses; they looked very well at first, but went off afterwards.

Mr. JAMES SCOTT, called in; and Examined.

Chairman.

2310. WHAT are you by profession?—I am a Distiller at the Clydesdale Distillery, Wishaw.

2311. In the west of Scotland?—In the west of Scotland. I am chairman of the West and South of Scotland Malt Distillers' Association.

2312. Malt distillers alone?—Malt distillers only; and I am vice-chairman of the Central Association of all the malt distillers of Scotland.

2313. Do you not use any grain in the distilleries?—In any of the distilleries associated, do you mean?

2314. Yes, of your association?—They are separate. If any of them are grain distillers they have also a malt distillery.

2315. But do not you use grain as well as malt in some of the distilleries?—Not that I am aware of.

2316. Is it all pot-still?—They are all pot-stills, I think, except two distilleries in the west of Scotland.

2317. And are those two distilleries large?—Yes.

2318. And do they use it for the purposes of blending afterwards?—I do not know what they do with it. At my own distillery we only use malted barley.

2319. Yours is purely a malt association?—Yes.

2320. Are you in favour of legislation in regard to keeping whiskey in bond?—No, I would leave it to the natural law of supply and demand, and that demand is gradually bringing about the ageing of whiskies.

2321. In spite of your being a pure malt whiskey association, you do not think it desirable that there should be a law to keep your whiskey, as well as other whiskies, in bond for some time?—I think there should be no law to that effect.

2322. Supposing that Parliament made such a law, what would be the inconvenience of it?—The distillers would require to provide half as much again of warehouse-room, and require a great deal more capital. Probably our customers would not buy the whiskey at all until it was two years old, instead of buying it new.

Chairman—continued.

2323. Do your customers buy it new?—Yes, mostly, and bond it and keep it for themselves; keep it, I mean, in our bond at the distillery.

2324. And do they generally keep it for a year or two?—Yes.

2325. Does any of your malt whiskey go out new, for the purpose of blending?—A proportion goes out, not quite new, but up till the beginning of last year the larger proportion that went out, duty paid, was over two years' old. Since the increase of duty that has changed, and there is a larger proportion of new whiskey going out since that time; and comparing the six months from 1st April 1889 with the six months from 1st April 1890, there is a very considerable difference.

2326. Newer whiskey goes out?—Goes out since the increase of duty.

2327. How can you account for that?—I cannot definitely account for it. I suppose it is because they want to cheapen the whiskey.

2328. Do you think that your whiskey is used to be blended with grain spirit whiskey?—Yes, very often.

2329. Do you desire that all whiskey from malt should be labelled "malt whiskey"?—I do not wish any change, but if there is to be any legislation at all, the only one would be to have "made from malt only," to revive that old permit which was abolished in 1864.

2330. Do you wish any restrictions upon what are called German and Russian spirits, beyond what is now in force, that they cannot be mixed in

Chairman—continued.

in bond with British spirits?—I think they should have a different permit, say, a red permit; that any one who sells them should put up a distinct notice in each room of his premises to the effect, that he sells these spirits on his premises.

2331. You are aware that they are not allowed to be mixed in bond?—I am quite aware of that.

2332. And you would put it upon the spirits themselves, that they are of the foreign make, and then they may do what they like with them?—I would have them declare what it was; the permit would declare that it was German spirits.

2333. Would you go further and say that if it is mixed by the retailers, in the public-houses, it should be declared to be a mixture of German spirits with the other?—Certainly.

2334. Then why?—I think everything ought to be sold under its own name. If it is Scotch whiskey, it ought to be sold as Scotch whiskey; if it is German spirit, let it be sold as German spirit; if it is Irish whiskey, let it be sold as Irish whiskey; let everyone get what he wants.

2335. But I thought you said that you did not wish a compulsory label, that such whiskey was malt whiskey, and malt whiskey alone?—No.

2336. Why not let the malt whiskey people have the same credit that everyone should have, according to his deserts?—I go in for a malt permit, if we are to have any alteration.

2337. But you think it better to let the whole trade alone?—Yes.

2338. Do not you think that that should extend to foreign spirit, that you should leave the foreign countries to do as they like?—No, I think every spirit should be declared to be of the country of its produce.

2339. Why should you do that, if it is not for the purposes of protection, is it for the purposes of health; would you, for instance, say that no wheat should be sold unless "American Wheat" is put upon it, and no Russian wheat unless "Russian Wheat" is put upon it; why, if they are equally healthy for the public, or sugars from different countries, are they all to be labelled with their point of origin; do you think that that should be done only for whiskey, or for other kinds of goods as well?—I have not studied that point.

2340. Then you do not object to blending different kinds of whiskey, whiskies of different makes, if the customers choose?—Not if it is marked "blended."

2341. And you think all such should be marked "blended"?—Certainly.

2342. You would not allow the grain distillers of Scotland to sell any of their whiskey unless as "whiskey"; they must mention that it is blended, if it is so?—They must mention if it is blended with malt whiskey; use the word "blended."

2343. But you would let them sell their own whiskey as whiskey?—Yes; but not as malt whiskey.

2344. But if malt whiskey was mixed with it, that it should be marked "blended"?—Yes, it is so marked in bond now, when they are blended.

Chairman—continued.

2345. Then you require no difference in the law at all?—No.

2346. Is there any other point that you wish to give evidence on?—Only that if you have compulsory keeping of spirits in bond, the Government should provide the warehouses; and that the time for keeping it in bond should be gradually enforced in this way: that there should be a certain notice given for one year in bond, and a certain longer notice to provide for the whiskey being for two years in bond, and so on.

2347. You know it would be a very formidable thing to make a rule that all whiskey should be kept in bond?—Yes.

2348. For instance, we had in evidence that there are about 5,000,000 or 6,000,000 of gallons made in London, almost all of which is used for the purposes of gin and other compounds of that kind, and not required for the purposes of making whiskey; do you think it would be fair to ask the London distillers to place their make in warehouses, when it is not required?—I think the Government ought to provide the warehouses; and if any whiskey is to be kept in bond two years, every spirit, Home and Foreign, must be kept the same time in bond.

2348*. And that it would involve a large amount of capital being found either by the State or by individuals?—Yes.

Sir *Henry Roscoe.*

2349. What benefit would the Government obtain by the expenditure of this considerable sum of money?—I do not wish them to expend it, you understand; it is only this, that if you have a law requiring bonding. I think that they should undertake the expense, and not put it on the distiller; they could charge warehouse rent if it were under Government.

2350. Do you know whether a patent still whiskey improves on keeping, as your pot-still whiskey does?—I have seen samples of old and new grain, and the old was decidedly better than the new.

Mr. *Somervell.*

2351. You have got samples, I think?—Yes, I have, at your request.

2352. Are these samples of whiskies of different ages?—Yes; new, two, six, and 12 years old Clydesdale malt whiskey (*producing them*).

2353. Have you got samples of foreign spirit?—No.

2354. What is the reason for the difference in the colour of these whiskies (*pointing*)?—They have been stored in sherry wood.

2355. If it was stored in a new cask, would that colour it at all?—A perfectly new oak cask sometimes gives it a little colour if not properly seasoned.

2356. But a properly seasoned cask gives no colour at all?—No.

2357. You said that the blender knew perfectly well where to get the different kinds of spirit?—Yes.

2358. But that is no security that the public, who buy it in bottles, or glasses, know what they are getting?—Certainly not.

2359. And therefore the public are not pro-

Mr. *Somervell*—continued.

tected by the fact that the blenders know what they are buying?—I would have all blended whiskies marked "blended."'

2360. Is it your opinion that there is a difference in spirits in this way; that the effect of taking too much spirit is different with different spirits?—I think so; I really do not know.

Chairman.

2361. Have you attended to that subject?—No.

Mr. *Somervell.*

2362. I believe we are to have some evidence in regard to the different effects of different spirits somewhat later?—I believe so.

Colonel *Hill.*

2363. Have I rightly gathered from your evidence that, in your opinion, in the interests of public health, no change in the law is necessary?—That is so.

Mr. James Dunlop, called in; and Examined.

Chairman.

2364. What do you represent?—The Campbeltown Highland malt distillers.

2365. That is rather a largish collection of malt distillers, is it not?—I believe it is the largest in Scotland.

2366. Do any of the distilleries in your association use any other but malt?—None of them.

2367. Are you satisfied with the present official designation of malt whiskey?—We dislike it; we are not satisfied.

2368. Did you hear Mr. Ross's evidence?—Yes.

2369. Do you agree with him that all whiskey made from malt should be designated as "malt"?—In the official document.

2370. And not on the labels on the bottles going out to the public?—Yes, that ought to follow, especially in the permits going from the distilleries; we are very desirous that that should be done to revive the old permit.

2371. It formerly was described as "malt whiskey," was it not, under the old law?—It was so, and the phrase was withdrawn, and afterwards renewed. It was then withdrawn a second time.

2372. What is your opinion about the desirableness of keeping whiskey in bond?—We think it unnecessary to legislate for compulsory retention.

2373. Then you agree with the other witnesses who have given evidence to that effect?—Yes.

2374. What is the average age of whiskey removed from your bonded warehouses in Campbeltown?—A few months ago the Excise officials collected statistics on that point, when they found that the average age of whiskey sent from Campbeltown was two years and four months. A considerable part of that was sent to other warehouses, where it would still mature; and that is the reason why we think it unnecessary to legislate when traders are maturing it of their own accord.

2375. Does your whiskey go into the trade as your own malt whiskey, or is much of it used in blending?—It goes both ways. Personally, ours goes nearly half and half. We pay duty on about half of our own make; barely half now.

2376. Is the blending with other kinds of malt whiskey, or is a great deal of the blending with grain whiskies?—I cannot state that for certain, but our understanding is that it is principally with the grain whiskies.

Chairman—continued.

2377. And that that gives a better tone and quality to the grain whiskies?—Yes, and cheapens it; makes a medium price.

2378. Have you any other subject that you wish to lay before the Committee?—Not any.

Sir *Henry Roscoe.*

2379. Do you know whether any other method has been ever successful in maturing, where there is any quicker process for the maturing of whiskey than that of allowing it to remain in cask?—There is none known; several systems have been tried but have not succeeded.

Mr. *Somervell.*

2380. You wish the malt permit revived, I understand?—The old malt permit revived.

2381. And there is no difficulty in regard to that because it was in existence before?—There is no difficulty whatever; it is very simple.

2382. This is the Canadian system, bottling and putting a Government mark on; it is bottled in bond; do you wish that done also if people desired it?—Where whiskies are blended, or bonded under the surveillance of the Governmen officers, I think they ought to see that an erroneous label is not sent out.

2383. You would desire the Canadian system?—Something like it. Where it is blended duty paid, by the dealers to suit the taste it is different; it is then not done under the Government service.

Chairman.

2384. I thought you said that you did not want legislation at all?—I said we did not want legislation as regards compulsory retention of spirits in bond, we desire the "malt only" permit restored.

Mr. *Somervell.*

2385. But you do wish it in regard to identifying a malt whiskey?—No, we merely wish that when we send out what is sold as malt whiskey from our distilleries it should not be sent out with the designation British plain spirit, a general designation which includes a cheaper article.

2386. So that if a customer wishes a malt whiskey he may be sure to get it?—Yes; but now a customer asks for a thing, for a pure Highland

Mr. *Somervell*—continued.

Highland whiskey, and he gets a Government certificate that it is plain British spirit.

2387. Is it your opinion that whiskey improves by age?—Yes, it gets more palateable.

2388. Do you wish anything done by the Government in regard to bonded warehouses?—No, we are quite satisfied.

2389. Do you make any charge when you keep your whiskey for customers?—Practically we do not; we reserve the right to do so, but have not found it convenient to insist upon it.

2390. And you have a large stock in bond belonging to customers?—Yes, probably about two years' make; we have altogether about two and a-half years.

2391. Two years' of customers, and half a year of your own?—It varies. Most of our whiskey is sold new to customers who mature it themselves.

2392. And do you wish the mixing of German spirits and malt whiskey prohibited?—I do not know much about German spirit.

2393. What I meant to ask was, do you wish that it should not be admissible to blend German spirit and malt whiskey and sell it to the public as pure whiskey?—I think that that ought to be prevented. Of course German spirit, as we hear, is made from different material; possibly it is diseased potato or rotten beet-root; we have no knowledge of what it is made of.

Mr *M'Ewan.*

2394. Do you wish the dealer to whom you sell your whiskey, to be prohibited from mixing your whiskey with other whiskies unless he states to the public wha the nature of the blend is?—If he states that i is blended I would allow the customer to find out for himself the quality of it.

2395. Did you hear Mr. Drysdale examined?—I did not hear all of his evidence.

2396. He stated that nearly all the whiskey sold in Scotland was blended with grain whiskey?—I have already stated that we pay duty direct for nearly half of our own make; that is not blended.

2397. I want to bring out this: I cannot see that there would be much advantage in reviving the old permit on which was stated, "From malt only," seeing that most spirits go into the hands of blenders who may mix them in any way they please?—It would be a protection, to a certain extent; that is to say, you send it to the blender and he is satisfiedthat it is malt whiskey; then, if a dealer buys from him he can see whether he is getting malt whiskey or blended whiskey.

2398. Can you compel the blender to state that there is a m xture of plain spirit in it?—Not the blender but with regard to what is blended under Excise surveillance I would cause the officer, in writing the permit, to state whether it is malt whiskey. He could send out 100 gallons "Made from malt only," or 100 gallons "Blended whiskey."

Tuesday, 24th February 1891.

MEMBERS PRESENT:

Mr. Boord.	Sir Lyon Playfair.
Sir Edward Harland.	Sir Henry Roscoe.
Mr. M'Ewan.	Mr. Somervell.

THE RIGHT HONOURABLE SIR LYON PLAYFAIR, IN THE CHAIR.

Mr. LAURENCE MALONE, called in; and Examined.

Chairman.

2399. WHAT position do you occupy in the Dublin Distillers Company?—I am one of the managing directors of that company.

2400. How much does that distillers company include?—It includes three of the largest distilleries in Dublin; it is an amalgamation of three large distilleries.

2401. How much do you turn out in a year?—We could turn out about three-and-a-half million gallons.

2402. And do you turn out much less on an average?—Yes; of late years we have turned out considerably less than that.

2403. What is the nature of your work; is it by pot-stills?—Pot-stills only.

2404. Do you use other spirits for blending besides the pot-still spirit that you make?—No; we do not do anything in blending. We do not blend; we simply distil in pot-stills the finest quality of pot-still whiskey, and we sell that as each individual make. We do not even blend the three makes of the three distilleries. We sell each individual make under its own mark.

2405. Do you ever sell spirits for consumption new?—Yes; we frequently sell them new.

2406. For consumption?—Yes.

2407. And do you find that you have no complaints as to its effects upon health when it is new?—No; but it is right to add that the greater part of our whiskey that is used when it is perfectly new is used by blenders. I do not think there is very much of it that goes into consumption as our make perfectly new without having had some age in bond.

2408. Do you sell much to blenders?—Yes; we sell a good deal to blenders.

2409. Is it blended at Dublin, or does it go to other parts of Ireland for that to be done?—Some is blended in Dublin, and some is sent across to England, and some to Belfast.

2410. What do you make the spirits from; from malt alone, or from malt and grain?—From malt and unmalted barley principally, with a small proportion of wheat, and oats and rye.

2411. What proportion of malt do you use, if it is not a trade secret?—Roughly speaking, we use between two-fifths and a half; more than two-fifths, nearer to a half.

Chairman—continued.

2412. Do you use any artificial methods for converting the starch of the grain into glucose?—No; nothing beyond fermenting.

2413. I mean you do not use acids at all?—No.

2414. Does the bulk of your spirits go at once into consumption, or is it stored?—The great bulk is stored.

2415. For how long generally?—I should say the average would be about three years; two and a half to three years would be the time that it is stored on the average. Of course, some of it remains till it is eight or nine or even ten years old; and a good deal goes into consumption under two years old, not very much under two years old.

2416. I suppose pot-still spirit would require longer in bond to give it the age which the public appreciate than patent-still spirits?—Well, I am not so well acquainted with the patent-still spirit, so that I cannot say really exactly what effect age has on that. I am aware that it improves, and softens, and mellows with age; but what time it takes I really could not say; I could not answer that question.

2417. Would you approve of a law to bond all pot-still spirit for a certain time?—No, I would not; I think it would injure our trade in pot-still spirits; I think it would give a still further advantage to the patent-still spirits, unless every kind of spirit was kept in bond without any distinction whatever; but if you opened the door by allowing rectified spirits or anything of that sort to be exempt, it would simply mean this, that they would be all rectified the moment they are made.

2418. But do you think that there should be any mark placed against pot-still spirits in comparison with other spirits?—Certainly I do. I think that "whiskey" ought to be defined; I think "spirits" ought to be defined and sold under their proper designations.

2419. Let us understand; we have been told by a witness who makes whiskey from malt that he thinks all malt whiskey ought to be described as "malt whiskey" compulsorily by law; now would you give that privilege to malt whiskey as compared with the whiskey which you make from malt and grain?—I would not.

I do

Chairman—continued.

I do not believe that, practically, there is any difference between the two, between the whiskey that we make and pure malt whiskey. As a matter of fact, we make pure malt whiskey; we make every season, one period, a pure malt whiskey. Some years ago we made a very much larger quantity of pure malt whiskey, but we find that the demand for our pure malt whiskey grows every day less and less, and the public prefer our ordinary make.

2420. With grain?—Yes, with grain; it is more piquant and lighter. The malt whiskey is too luscious, too heavy; and, as a matter of fact, the small quantity of malt whiskey we make now is only bought for blending purposes; very little, indeed, is sold unblended.

2421. Now I want to see how far you would go in the marking; would you consider that if the malt distillers got their desire, and had their whiskey compulsorily marked "Whiskey made from malt only," yours should be marked in the same way, "Whiskey made from grain and from malt," and even that you should possibly be obliged to specify what sorts of grain you used in making it?—I do not think we would object to it in the least; we do not want to sail under false colours at all; we are quite satisfied to have our whiskey described for what it is.

2422. As made from malt and grain?—Yes; we are not afraid of the competition with the malt distillers.

2423. But are you not aware that the patent grain spirits of the United Kingdom are made also from malt and grain?—I am aware that they are in many instances, possibly in most instances; but I have understood that of late years they have succeeded in making patent-still whiskey without any malt; that they have saccharised the maize from which it is mostly made by the use of chemicals; sulphuric acid for instance.

2424. Where are there such patent stills in which sulphuric acid is now used?—I could not say; I could not answer you that question; but I have understood that that has been done in England.

2425. I am assured it is not done in London; I do not know whether it is done in any other part; do you know any other part where it is done?—I would not like to commit myself to the statement that that is so, but I have heard so. I have no doubt that as a rule they use a small proportion of malt for the saccharising of the maize; but I saw that it had been stated in evidence by some witness from Scotland that they used as much as a fourth of malt.

2426. Thirty-five per cent. sometimes?—I simply do not believe that, because I know it is quite impossible that it could be so. It is quite impossible that they could sell the spirit at the price that it has been sold at if they used such a proportion of malt.

2427. Are you aware that the respectable distillers of patent-still spirits all declare that they never use less than 15 per cent. of malt?—That is a different thing; 15 per cent., that I can understand; I think that would be nearer to it than 35 per cent.

2428. But now according to your definition you say that malt whiskey ought to be labelled

Chairman—continued.

"malt whiskey"?—No, I do not say that; but I say that if you choose to label malt whiskey "malt whiskey," we, Irish distillers, do not object.

2429. You do not think it should be made compulsory that all spirits should be branded with their source of origin?—I scarcely see the great advantage of branding malt whiskey as "malt whiskey," and then having a different denomination for whiskey like what was made in Dublin which is practically half malt, and is really the same article.

2430. I am coming to that. Supposing you admit that that contention is a good one, of the pot-still distillers who distill from malt alone, and that it is right that such whiskey should be marked as being made from malt only, why would you prevent the patent-still distillers from marking theirs also "made from malt and grain"?—I would not prevent them marking it what it was made from; but I would prevent them calling it whiskey, because it is not whiskey.

2431. Because it is too pure to be whiskey; is that what you mean?—No, that is not exactly it. I look upon whiskey as being a spirit made in pot-stills. The name of "whiskey" was given to a spirit distilled by means of pot-stills hundreds of years ago, long before such a thing as a patent-still was invented or thought of; and I maintain that the spirit produced by the patent-still (I do not care what materials they put into it) is totally different from whiskey distilled in a pot-still.

2432. One is distilled by the fire and the other by steam?—That is so.

2433. And you think that the difference of the product is such that they ought to be kept totally apart?—Certainly.

2434. May I ask, further, whether you think there would be any advantage to the public in compulsorily putting the source of their origin and the nature of the distillation upon the labels of these whiskies, or whether you would leave the trade alone?—It would undoubtedly be a great advantage to the public if you could do that; but there are great difficulties in carrying it out. The great difficulty will be, I fancy, in distinguishing one from the other. Once you mix these spirits together, I do not know of any means, and I do not believe that the chemists know of any means, by which you can tell what the mixture really is, or what proportion of patent spirits or what proportion of pot-still whiskey or what proportion of malt whiskey is in that blend. So that if you make a law to that effect it will be to a great extent inoperative.

2435. I understand you to mean that you could not follow pot-still whiskey with any label through a blend?—No, you cannot prove it in the present state of our knowledge on the subject.

2436. And that the blend may be a mixture of very various kinds of whiskey made in different ways?—Yes.

2437. Do I understand you, further, that if there is any law to keep spirits for a certain time in bond, it must be applied to all spirits alike?—Yes, I should say that if it is not applied to all spirits alike it will only still further injure the pot-still whiskies.

2438. But would you think that pot-still whiskey should be so favoured that if the spirit is rectified

Chairman—continued.

spirit, perfectly pure, for the purpose of making gin and other drinks of that kind, you should force that spirit to be put in bond, although bond will not improve it? —I am not in favour of forcing any spirits to be kept in bond; I think it would be a mistake.

2439. That, in fact, follows also from what you said before, that although whiskey kept in bond and aged for some time is much more agreeable, you consider new pot-still whiskey quite wholesome?—I consider that really well-made pot-still whiskey is not unwholesome even when new, but, of course, it is not so good as when it has got age. On that subject, perhaps, you will allow me to hand you in a report which I have just got this morning from Mr. Allen, who was examined before you the other day. I sent him samples of perfectly new whiskeys from the stills of our three distilleries, and he has only completed the report this morning; perhaps you would like to see it?

2440. Yes, if you please?—(*The Witness handed the papers to the Chairman.*)

2441. It does not say here which are the new and which are the old ones of the samples?—These are all new; each is perfectly new, they have never been in cask; they were taken from the still.

2442. But they vary here considerably, I see; in one there are 26 grains of amylic alcohol or of fusel oil in a gallon, and in another 27 grains, which is practically the same, but in another as much as 38 grains, so that they vary considerably even when made?—Yes; I think you will find that in all whiskies; that there will be a variety.

2443. And the free acids vary from 1 to 1·35; that is not very much. Perhaps you will hand in these as the analyses of new pot-still whiskies?—Yes, certainly. I think Dr. Bell's evidence gave a much larger proportion of amylic alcohol to pot-still whiskey than is found in these, if I remember rightly.

2444. Is there much silent spirit made in Dublin?—There has been no silent spirit made in Dublin until this year for very many years back. Formerly there used to be a manufacture of silent spirit in Dublin, but it was broken up, and until the last year there has been no silent spirit made in Dublin; but there is a new distillery started there now, and they make silent spirit.

2445. From grain and malt, I suppose?—Well, I presume so; but I could not say.

2446. Should you think that there is much Scotch silent, or perhaps we had better call it patent-still spirit, spirit which comes into Ireland for the purpose of blending?—Yes, I am sure that a very large quantity comes into Belfast.

2447. Is there any return, do you know, of that?—The Customs, or the Inland Revenue, can give you all these particulars easily.

2448. You wish a definition for the word "whiskey;" what would he your definition?—My definition would be: a spirit distilled by means of pot-stills, from a fermented wort, mainly the product of barley.

2449. Would that apply to blended whiskeys?—I do not understand exactly what you mean by the question.

Chairman—continued.

2450. I mean, if you confined the term "whiskey" to your definition, and your pot-still whiskey were used to blend with patent-still spirits, would you apply it to such blended whiskies?—No, I would not then allow it to be applied.

2451. But would you allow it to be sold?—No, I would not allow it to be sold as whiskey if it were blended with patent-still spirit.

2452. But have you not stated that the public use whiskies blended with other spirits besides pot-still spirits?—They do certainly; they use them, but they believe that they are whiskies, they ask for whiskey and they do not get it; they get a blend of whiskey and a patent-still spirit; and that is what we complain of.

2453. Supposing they like it better?—Then, if they like it better, let them get it by all means; but let them get it with their eyes open.

2454. In asking for a glass of whiskey, are they not to be allowed to get the whiskey they like?—Certainly.

2455. But according to you they must call it something else; they must not call it whiskey?—I would not allow them to call it whiskey, simply because it is not whiskey, and I am perfectly satisfied and convinced that the public up to this have not known what they have been getting in that way. They have been getting this blended stuff, which is mainly composed of patent still spirit; and they have always asked for whiskey, and they have drunk this stuff under the belief that they were drinking whiskey.

2456. I do not know whether you have followed the evidence which has been given to us; we were given evidence with regard to Scotland, that in some parts of Scotland they like patent-still spirit better than any other kind of spirit, and they call it whiskey; that blends of patent still spirit and malt were liked in other parts; and that in other parts again pure malt whiskey alone was liked. Now, would you puzzle the poor consumer by saying to him,—"You are drinking whiskey in one case, you are drinking a spirit which is not whiskey in another case"; how could you get the public to give up the term "whiskey"?—I daresay the public would not give up the term "whiskey"; they would naturally ask for whiskey still; but if they wanted what is not whiskey and they got whiskey, they would very soon find out that they were not getting what they wanted, and they would learn the name of the other thing if there was a name for it.

2457. Then as you say that they would soon learn what they wanted, and insist upon getting it, do not you think it would be much better to leave it to the custom of the trade than to law?—No, I do not. I think the custom of the trade will nearly always run to what will give them the biggest profit; and it is quite clear that they will get a better profit out of blending than in selling pure pot-still whiskey.

2458. I used the wrong expression in my question; I meant this, would you rather leave it to the consumer than puzzle him by law as to what kind of drink he is taking?—Of course that is a moot question. At present I am perfectly satisfied that the consumer is deceived; because he thinks he is drinking Irish or Scotch whiskey,

Chairman—continued.

whiskey, and he is not drinking Irish or Scotch whiskey.

2459. Supposing he likes to be deceived; supposing he prefers a mixture rather than the other?—He does not like to be deceived, because everybody complains of the quality of the whiskies that are sold, particularly of late years; it seems to be getting worse and worse every day.

2460. Now is it as a matter of health, or as a matter of protection to a superior article, which as you believe comes from pot-stills, that you recommend any law?—On both grounds. I have no doubt whatever that a good pot-still whiskey with age, is the wholesomest spirit that the public can possibly get or drink; I do not believe that the other thing is so wholesome.

2461. But is that a general belief upon your part, or is it with regard to any known evidence; is there any evidence that pot-still whiskey, blended with patent still whiskey, is injurious to health?—It is difficult to get evidence of that kind, beyond the fact that if you try that stuff yourself, and drink a glass or two of it, you will feel the effects of it the next morning; there is no doubt about that.

2462. Well, I am obliged to say I have not felt the effects of it. I have been drinking patent still spirit to see what has been the effect, and I find no effect injurious whatever?—I know that I find an effect from it; I have tried it.

2463. But do not you think that a Legislature before it passes restrictive laws must not go upon mere vague ideas about what is good for health or not, but must have positive proof that certain things are unfavourable to health before they put restrictions upon them?—Certainly.

2464. Blending has become a considerable trade lately has it not?—Yes; it has increased enormously in my time. I remember when there was very little blending indeed.

2465. Do you attribute that increase in blending to the same cause which you mentioned,—that the taste for stronger pot-still whiskey is going out and is fading, and that a milder sort of whiskey is preferred by the public?—No, I do not. I do not believe in that at all; I believe it is simply the competition in trade that has forced down the price which blenders charge, and owing to one blender cutting under another they have been obliged to gradually put in more and more of the patent stuff, which, of course, is the cheap stuff.

2466. But you said that originally pot-still whiskey made from malt was preferred by the public, and that now the public prefer a pot-still spirit mixed with spirit made from malt and grain?—With us we find they prefer whiskey which is made from a mixture of malt and grain; but the reason of that is really that we have put a very much larger proportion of malt into our whiskeys in Ireland of late years than we used to do formerly. At one time formerly it was common to use as little as a sixth or an eighth of malt in the manufacture of pot-still whiskey in Ireland in some distilleries.

2467. How long has grain been used at all in pot-stills; whiskey used to be made altogether from malt at one time, did it not?—That is a question I really could not answer you; it is so long ago that nobody remembers.

2468. And you think it is the competition and the cutting down of prices which has made the trade use silent spirit?—Certainly. I do not believe for one moment that the public have any taste for silent spirits.

2469. Supposing the blenders come and give us evidence that the public prefer, and that they can sell better whiskies made from pot-stills blended with silent spirit, ought we not to pay some attention to that evidence?—It may possibly be the case as regards these Highlands malts which are very highly flavoured by the peat that they dry the malt on; they are, some of them, of a much stronger flavour than others; in that case it is possible that the public might like that flavour a little diluted; but that certainly does not apply to Irish whiskies; we do not dry the malt with peat, and we have got no peaty flavour.

2470. Carry your definition a little farther; how would you protect Irish whiskey as against mixture with Scotch silent spirit?—As long as the Government allow the practice of blending in bond to go on there is really no means of protecting it.

2471. Let us go a step further than that, and say that the Government do not allow blending in bond of patent spirit and Irish whiskies; how could you prevent it in the public-houses?—You cannot prevent it in public-houses; but of course it would put a very great check upon it. If it was prevented from being done in bond it would be a very great check on the practice, because, after all, the owner of a public-house is not likely to buy two or three casks of whiskey and blend them; as a rule, he buys a cask when he wants it and sells it off the moment he gets it.

2472. He blends it with water usually, does he he not?—He blends it with water.

2473. Does he not also blend it with some other kind of whiskey, to suit the taste of the customers?—I do not think as a rule publicans do that kind of business; I think that is done by the blender for them before they get it.

2474. But I want to find out how we are to follow your Irish whiskey; Irish whiskey may come over here labelled "Irish whiskey"; would you allow Belfast whiskey, made a good deal in patent-stills, to come over, called "Irish whiskey" also?—I think I stated at the start that I would not allow any patent still spirit to be called whiskey.

2475. Then your restriction is to apply entirely to pot-still whiskey?—Precisely.

2476. And would you call that "Irish pot-still whiskey," or would you call it "Irish whiskey"?—It is quite immaterial as long as you define whiskey as being made in pot-stills.

2477. Would you not allow the large houses, such as Dunville and others in Belfast, to call their product "whiskey"?—I would if they made it in pot-stills.

2478. But not if they do not?—No.

Mr. *M'Ewan.*

2479. I think you said that you were not aware of any case either in England or in Scotland in

Mr. *M'Ewan*—continued.

which the distillers made patent-still spirit without any malt?—I said that I have heard that they could produce a patent-still spirit without malt by substituting chemicals, but I do not know that of my own knowledge.

2480. So that you are not aware of a single case, either in England or Scotland, where the distillers make spirits without malt?—No; I am not.

Mr. *Boord.*

2481. Do you think that new pot-still whiskey is more injurious to health than old pot-still whiskey?—Yes, I do, certainly. I prefer to drink old pot-still whiskey to new.

Chairman.

2482. I think you stated before that it is not injurious to health?—I do not believe that it is injurious to health except to a very moderate extent. I will put it in this way: that if you drank too much of old pot-still whiskey it would not have the same effect on you as if you drank the same quantity of new pot-still whiskey. To that extent I should say that old pot-still whiskey is more wholesome.

Mr. *Boord.*

2483. That is what I was coming to?—It all depends. There are a great variety of pot-still whiskies, and when I speak of pot-still whiskey I mean of the finest class.

2484. No doubt old pot-still whiskey is preferable to new?—Certainly.

2485. But do not you think that when we are told that new whiskey is injurious to health a great deal depends upon the quantity that is consumed rather than on the quality?—I do.

Sir *Henry Roscoe.*

2486. Could you give us the price of the pot-still whiskey as against the blend or patent spirit; the average price of pot-still whiskey?—The price of pot-still whiskey in Dublin is from 3 *s.* 9 *d.* to 5 *s.*

2487. And of the blended whiskey?—That is of all prices. I have seen an invoice here in London of a blended spirit at 1 *s.* 7½ *d.* per gallon. Patent-still spirit is dearer now, and within the last few months prices have advanced, so that it could not be sold so cheap; but about a year ago I have seen that invoice.

2488. Is that, do you consider, the average price, or the lowest price?—It would be the lowest price; but what the average price is I could not tell you, because, of course, the average of a blend varies very much, though I understand that some of the Scotch blenders get very high prices for their blends; of course these are old whiskies that they blend.

2489. But on the whole, is the price of your Irish whiskey higher than the price of the blended?—Yes, certainly.

2490. That being so, is not that a sufficient guarantee, or, at any rate, a sufficient indication to the consumer that he is not getting pure malt, or pure pot-still whiskey?—Yes; but unfortunately the consumer pays the same price if he gets a blended whiskey, which costs, we will say, 1 *s.* 9 *d.* a gallon, as if the whiskey had really cost 6 *s.* 6 *d.* or 7 *s.*

Sir *Henry Roscoe*—continued.

2491. You think that if you go into a public-house, and ask for a glass of Irish whiskey, you may get a blend, or you may get the pure article according to the honesty of the publican?—Exactly; according to what the publican thinks he can sell, or does sell.

2492. But do you mean to say, then, that there are no cheaper kinds of whiskey sold, so that you could get a whiskey at a low price if you wished to get it as well as a high price?—I think that the retail price of whiskey is practically pretty much the same; there may be a difference of a penny per glass, or something like that, that is about all.

Chairman.

2493. But is not that enormous, a difference of a penny a glass?—Yes, of course. I have no doubt there is more than one quality sold.

Sir *Henry Roscoe.*

2494. Then, if the man who desired to drink whiskey paid a penny a glass less in one place than in another, or if he paid a penny a glass less in the same place, he would understand that that whiskey was not the same thing as he paid a penny more for, would he not?—Yes.

2495. What I want to know is this: is not that a sufficient amount of indication to the consumer that he is getting a different article, although it is called "whiskey"?—It would be, if he got really a genuine article for even the higher price; but he does not.

2496. And how do you propose to effect that desirable end; that he should get the pure article?—I may say it is extremely difficult; I am quite aware that it is the most difficult thing to do; you cannot follow these blends; you cannot tell what they are. You would find it almost impossible to succeed in a prosecution; supposing that whiskey were, as I say, defined, and that the Merchandise Marks Act applied, and a prosecution followed, I doubt very much if you could obtain a conviction, even although the stuff sold was of the very lowest type of blend.

2497. Then I suppose the result of your experience is, that any regulations would be really ineffectual?—To some extent they would, but of course it would put some check on it, if the Inland Revenue interfered and said, "We do not allow you to blend pot-still whisky and patent-still spirit and send it broadcast as whiskey or as pot-still whiskey;" at all events, it would have this effect that it would not have, as it has at present, the sanction and aid of the Government in what is really a deception on the public.

2498. But if, according to your showing, a conviction cannot be secured if evidence cannot be got sufficient to obtain conviction, does not the regulation cease to be of any value?—No; it does not cease to be of any value; I think it would be of some value; there would be some check put on the practice, and some discouragement of it to this extent, that the Government would not acually encourage it. I think that they

Sir *Henry Roscoe*—continued.

they might go that far, at all events. At present they encourage what is really a fraud upon the public by allowing all this to be done.

2499. Is not there the same difficulty with regard to almost every beverage; take, for instance, wine, claret: how can you distinguish them in that case; is not there the same difficulty?—There is; but the French Government, I understand, interfere in that respect, that they will not allow wines to be sent out that are not the products of the district as being the product of the district; they will not allow a false description.

Chairman.

2500. Do you think that, for instance, the pot-still distillers of Scotland who sell largely to blenders would like the Government to prevent blending in bond with their pot-still whiskey?—I do not know. I do not know what the Scotch distillers think on that subject.

2501. But a law with regard to pot-stills in one country must be the same, must it not, as a law with regard to pot-stills in another country?—Yes, it must.

2502. If it is given to us in evidence (it has not yet been given, but I am supposing that it may be given to us in evidence) that blending on a large scale takes place in bond of pot-still spirits mixed with the others, might not these pot-still distillers think it a hardship if their sale was stopped by the blending being prevented?—But I do not think you would stop their sale. If the public want that blended spirit, as we are told they do, it will be done for them out of bond. It can be blended out of bond as well as in bond; so that if there is really a demand for that the public will get it.

2503. Now would you as a man of business think it a fair thing that it should have to be taken out of bond and blended and then be put back again into bond to age, which you say is continually done with these blended spirits; would not that be an enormous cost to the producer?—Yes; but I think that grievance will not arise. There is no necessity to blend the spirits until they have arrived at the age when they are wanted for consumption; and as a matter of fact I do not believe that whiskies when they are blended are then kept in bond; they sell them as fast as they can.

Chairman—continued.

2504. But do not you know that there is a deal of racking and blending in bond?—Certainly.

2505. I want to know how you intend to prevent that?—I do not ask to prevent it; I think it is a pity—I think it is a mistake—the Inland Revenue ever having allowed blending to be done in bond to start with.

Mr. *Somervell.*

2506. You do not object to blended whiskey being sold if it is labelled as being what it is?—No; I think it is a pity that the Inland Revenue ever allowed blending in bond; but that has grown to such an extent that it would be a very strong step to stop it now; I quite admit that.

Chairman.

2507. But you spoke of blending outside the bond?—I say it could be blended outside.

2508. But you would not prevent it being blended inside the bond?—I do not think I would go so far as that, now that the blending has grown to such an extent as it has at present.

Sir *Edward Harland.*

2509. Could you give us an idea of the price of patent-still silent spirit?—The price of patent-still as been advanced I understand about 3 *d.* or 4 *d.* a gallon recently, within the last five or six months; and I should say the present price would be about 1 *s.* 7 *d.* the proof gallon; I should think so; but do not take that as being absolutely correct, because I am not so familiar with the price of patent-still spirit.

Mr. ALLAN SWAN, called in; and Examined.

Chairman.

2510. ARE you a distiller at the Bushmills Old Distillery, in the county of Antrim?—Yes.

2511. What sort of distillery is that?—It is a pure malt distillery; that is making entirely from malt.

2512. May I ask whether you have had much experience in Continental distilleries?—Yes, I have had eight years' experience on the Continent, six of which were spent as a distillery manager, and two years as an assistant to my father, who was a distillery manager.

2513. I think you have studied some of the sciences connected with distillation, and have even published upon them?—Yes, I have published some papers, principally biological, on questions relating to fermentation. I am a fellow of the Linnean Society, and I have always had my own laboratory in connection with distilleries where I worked.

Chairman—continued.

2514. May I understand, therefore, from your Continental experience as well as your experience in this country, that you have a thorough knowledge both of pot and patent distillation?—Yes, I have had a thoroughly good training and practice in both.

2515. Before I come to the Bushmills distillation I should like to ask you about some of the Continental methods. In what parts of the Continent were you engaged for those eight years in distillation?—I was engaged firstly to assist in working an English plant that was erected on the edge of the Danube in Wallachia. I was afterwards engaged in France in a tour of inspection through distilleries working for the purpose of making the strongest, best, and purest alcohol by rectification. I afterwards returned to those countries in the east; on the borders of Poland I managed a distillery, and in Roumania I managed

Chairman—continued.

I managed a large distillery; and during those times I was frequently consulted and had occasion to visit other distilleries where every method of distillation was practised.

2516. In the domestic distilleries which supply so much of the materials for the refineries on the Continent, what are the materials used generally?—They differ in the different countries. In the north of France, where a very great quantity of refined spirit is made, they work from beetroot a great deal; in the south of France they work from grain; and in the country districts of France they have what they call *usines agricoles*, where they make into spirits the product of the farms; they are small farm distilleries in fact.

2517. Are they pot-stills?—Never.

2518. They are all steam-stills?—All steam-stills. The grain spirit is nearly always made from steam-stills; as far as I know there are no fire-stills on the Continent that I have seen working except brandy-stills.

2519. Even where grain stills are used is it the clear wort that is used for distillation, or the mixed up mash?—It is invariably the thick mash containing the grains and everything; I mean the liquid together with the product from which it is made is fermented and distilled in its entirety.

2520. And that is quite different from the patent-still plan adopted in this country?—Yes, the mashing process is quite different.

2521. With regard to the products of these industrial spirit stills, such as the *Pistorische* stills, do they go into consumption at once?—In many cases, yes.

2522. Are they very impure?—They are very impure.

2523. About what percentage of fusel oil do they contain?—I may say that when I give you my opinion as to what percentage they contain, it is from memory; but I am sure, from the analytical means by which I arrived at it, that I am very near to what it actually is when I say from 25 to 28 of impurities in 10,000, according to the French system of determining it by the *diaphonomètre*.

2524. That is about 2-10ths per cent.?—More than 2-10ths per cent., 0·25.

2525. Are potatoes much used for distillation on the Continent?—Potatoes are greatly used in the north of Germany, and all over Germany.

2526. Are the products of these first distillations, of these domestic distillations, sent over to this country?—The first products, never.

2527. What becomes of them?—They are further rectified directly or sent to other centres where they are rectified in larger quantities, to rectifying houses.

2528. Is the rectification carried out in stills like those used as patent-stills in this country?—The still in its principle is the same, but in its details it is different; it is far more complete.

2529. It is not the Coffey still?—It is not the Coffey-still; but it works by steam; and the object of the still is to eliminate the impurities that it may contain and make as pure a spirit of the product as possible.

2530. The pure spirit being employed, is it not for making gin and other liquors?—Seldom gin; but for various other liquors; also for fortifying wines. It is frequently used also with essences and with essential oils to manufacture drinks.

2531. And is that the sort of spirit alone that comes over to this country?—As far as I know, yes.

2532. Except a certain portion used for methylation?—I do not know that spirit comes here for methylation from the Continent.

2533. There is a certain portion which comes over for methylation?—I was not aware of that.

2534. But is the spirit which is rectified in the way you have described a pure spirit or an impure spirit?—An extremely pure spirit.

2535. Is it a pure spirit, in spite of its original origin, that is, whether it comes from potatoes, from beet, from grain, or whatever the material is; is it in its final result equally pure?—Chemically, yes; but I have good reason to know that with regard to the different origins of spirits, in comparing for instance spirits made from potatoes with those made from beetroot, they are distinctly to be recognised by the smell or flavour of them; and in the first operation of distillation they can be also recognised by the test for essential oil which is known in France; but when these spirits are well rectified they are hardly to be distinguished one from the other. If the rectification is very good, such a rectification as is obtained during the better part of the working of the long operation under the French stills, there can be no difference discovered. I mean to say when you come down to a spirit which may contain only 1 in 10,000 or 2 in 10,000 of impurity, the difference is so slight that no nose could detect it, as far as my experience goes; and I have rectified such spirits from a great many kinds of material, even from wine, from beetroot continually, from potatoes also, and all kinds of grain.

2536. Is there not a test instrument used in the markets in France to distinguish the impurity of these spirits?—Yes, there is an instrument which was invented or brought out by Mr. Savalle, the great maker of French rectifiers; he is the greatest rectifier maker. This instrument he described to me in 1882, I think; and I bought one, and I have that instrument now in use. The instrument is called the diaphonomètre, and the description of it is in Mr. Savalle's book.

2537. The purity of spirits is determined by a colour test, is it not?—It is determined by a colour test. Of course the use of that instrument depends entirely on a re-agent that is used. Savalle, in that description in his book, which was the first published, does not describe the re-agent used very naturally, but I find in a later edition of a German authority on distillation that the re-agent is described.

2538. And the re-agent is potash, is it not?—The re-agent is caustic potash.

2539. With regard to rectified spirits, such as go by the common name of German spirits in this country, do you know what percentage of impurities that spirit contains?—The best kinds of imported spirits which probably come from Berlin, ought not to contain more than 4 in 10,000 of impurity according to the diaphonomètre test; they may contain less; a spirit that contained

Chairman—continued.

contained more ought to be sold at a lesser price than the ordinary price.

2540. Now let us come to your Bushmills distillery; in your Bushmills distillery malt alone is used?—Malt alone.

2541. No grain?—No grain whatever.

2542. I think it is one of the two malt distilleries in Ireland, is it not?—Yes; it is far the larger of the two; the make is three times as much as that of the other.

2543. Does the product of your distillery go at once into the market or is it put into bond for ageing?—Far the greater part of it is put into bond for ageing; a certain proportion of our whiskey is sold to persons, and when the transaction is finished we do not know what becomes of it, but I presume that the greater part is even then kept till it is partially matured.

2544. And what number of years from your experience do you find produces the good results?—I find that the best and fullest qualities of malt whiskey will improve in bond for seven or eight years or even more up to 10 years.

2545. Have you formed any idea from your scientific knowledge what changes take place in the process of bonding?—I cannot say that I have; I have tried to obtain them, but my chemical knowledge being more or less confined to that of the ordinary determinations in connection with distilleries has not allowed me to go into experiments or research on the subject.

2546. There is no doubt a considerable improvement during the process of bonding?—Undoubtedly.

2547. Have you any samples of whiskey that you would like to show us with regard to the ageing; I mean from one to four years, or so?—Yes.

2548. Will you show us them. (*The Witness produced certain samples*)?—That (*pointing*) has been in glass and that (*pointing*) has been in wood. We bond greatly in sherry wood. Those (*pointing*) are of June 1887. Here these (*showing other samples*) are from plain wood and from glass, that is to say, a sample of the spirit is put into glass and put by, while the remainder is put into casks, and we compare the two.

2549. How long has that (*pointing*) been kept?—Since December 1889.

2550. What results have you obtained by the samples which you have been showing us now?—I have brought them endeavouring to show you the difference at least, that is observable by the taste and flavour of the spirits resulting from bonding.

2551. And you think that that improvement goes on up to three or four years and even more than that?—Considerably more, eight to 10 years sometimes with whiskies.

2552. Would you give us a very old specimen, and the newest that you have?—I have not specimens about which I am absolutely certain of their being the same whiskey more than four years old; but I can give you a sample of whiskey 10 years old compared to one that is new, or a sample from glass and from wood of four years old (*producing two samples*).

2553. *This* is as it was four years ago?—Yes, that has been in glass ever since.

2554. Have you considered whether there should be restrictions put upon the sale of the spirits, by reason of the articles of their origin?—Yes, I have considered the matter; I may mention that it is the fact that I am interested in the working of the Bushmills distillery more than being a salaried servant, that made me consider that very seriously.

2555. What is your opinion; do you think that malt distilled spirit should always be labelled "made from malt," and others made from malt and grain should be labelled "made from malt and grain"?—What I think of the matter is that with regard to distilleries making from malt alone, their product should be designated "malt whiskey." I have no doubt that the origin of the word "whiskey" as made years ago was malt whiskey; but I have no doubt that people who work with 40, 50, or 60 per cent. of raw grain should be allowed to call their product "whiskey," but not "malt whiskey." My reason for saying that is that it is evident to anybody that the materials alone and the system of making in a malt distillery are far more expensive to the producer than in the case of a distiller who makes partly from raw grain. In the first place, with regard to the materials used, malt costs twice the price of raw grain; and owing to its being necessary to work in small stills, a very slow process, in malt distilleries, they are further harnessed with an extra expense in the distillation.

2556. But you would not make the division line merely at pot-stills; you would say that malt whiskey must be marked "malt whiskey," and that the stills which use malt and grain might call their product "whiskey," but never sell it as "malt whiskey," although it contains 25 or 35 per cent. of malt?—No, or although it contained 40 or 60 per cent. Unless they work entirely from malt I think they ought not to have the right of calling their whiskey "malt whiskey."

2557. What, would you let them call is simply "whiskey"?—Simply whiskey.

2558. Would you allow blended spirit to be called "whiskey"?—Certainly not.

2559. What would you call them?—I would not even allow them to be called blended spirits. I think the word "blending" was originally started and intended to improve whiskey by the mixing of different qualities of the same production. I mean to say that, if you take several qualities of Highland malt whiskey, for example, and then mix them together, the product, of mixing them together may be better than any individual sample of the several qualities blended together; and I think blending was originally intended to mix whiskies of fine quality together and perhaps modify some of the peculiar characteristics of them; but it was never intended to mix up with them patent spirits or spirits that have no flavour at all.

2560. Do I understand, then, that you are in favour of dividing pot-still spirits into two divisions and alone allowing them to be called "whiskey"?—Yes.

2561. The one is to be called "malt whiskey" and the other is to be called "malt and grain whiskey"?—"Whiskey" or "grain whiskey."

2562. But if you distinguish the origin of one,

Chairman—continued.

should you not distinguish the origin of both if you are to monopolise the word "whiskey" for pot still spirit?—There are so many products that come under the name of "whiskey" after you have separated "malt whiskey" from them, that it appears that you might still do injustice to some of them by designating them all under one class. There are classes of grain whiskey which are far inferior to others; there are classes of whiskey, such as those produced in Dublin, which many connossieurs prefer even to malt whiskey; but I think there is no whiskey made from light materials in a hurried way and in a cheap way, that can deserve the name of "whiskey."

2563. Now, when you say "deserve the name of whiskey," is that with reference to flavour?—Yes.

2564. Not as a question of health?—With reference to flavour; the health, I think, may be included in it; I think I may include health, and say with reference to flavour and health.

2565. In what degree; would you consider malt whiskey much more favourable to health than whiskey made by the pot-still from malt and grain?—I cannot say that; I think that whiskey made from malt, and whiskey made from malt and grain are, neither of them, if properly matured, and taken in proper quantities, injurious to health.

2566. Do you think it would be practicable to shut out large industries like those in Scotland and those in Belfast, where patent-still spirit is made and blended with other materials; do you think you could get the public to shut them out as whiskies?—I think it is those same whiskies that have shut out the malt whiskey from the trade during the last 20 or 30 years.

2567. And you would like to go back and give yourself a monopoly of the word "whiskey"?—I think that malt distillers deserve the monopoly of the word "malt whiskey."

2568. So I understand, and that is quite reasonable in your point of view; but then you think that the other pot-stillers have a right still to the term "whiskey," although they do not use malt alone?—Yes.

2569. And you think that with regard to all the rest, who form a very large part of the trade, by whom spirits are made with the patent-still and blended, that product is not to be called "whiskey"?—It might be called "blended whiskey."

2570. Up to the time that it leaves the Customs, the Excise, or the bonded warehouses, you could enforce that; but after it leaves there, how are you to enforce it; could you, as a practical distiller and a chemist, recognise malt whiskey in a blended article?—I could very easily recognise a blend of 40 or 50 per cent. of patent spirit in any kind of whiskey as an expert, and being used to do so; and I think I could, with very little practice, arrive at a means of determining it chemically.

2571. Would you tell me how you would detect patent spirits when mixed with, say, malt whiskey?—By smelling it. I could show you the way it could be done very easily if I might show you.

Chairman—continued.

2572. As a question of flavour, could you detect it?—Yes, if it had been blended recently. If it had been afterwards bonded for a year or two I might not be able to detect it.

2573. But those blends are bonded, are not they?—Not generally, I think; but I have really no great knowledge of the trade.

2574. Are they not blended in bond and sold again?—They are; but I do not think that is with a view of improving the whiskey. It is for convenience of working that they do that.

Sir *Henry Roscoe.*

2575. You said, I think, that the spirit manufactured in Germany was of a very pure character?—After rectification.

2576. Is that the case with the spirit as imported into this country?—As far as I know it is; and it is the case as far as I know with the samples of rectified spirits from abroad, which I have brought myself and offered for sale here in London, where it was necessary that they should be of an extremely pure character. I was told that the samples I brought which contained between two and three in 10,000 of impurity according to Savalle's diaphonometre test, were brought and delivered, and that people said that they were not better than other spirits that came to London.

2577. With regard to the test that you employ, by means of this diaphonometre, upon what does that depend—the colouration with potash?—Its action at the boiling point upon the oil impurities.

2578. Is it on the ethers, is it on the higher alcohols, or is it on the empyreumatic oils that are contained in these impure spirits?—Though it is not mentioned in that book which I have handed to you, it is my opinion that it acts on nearly all the same, because samples of wine which I have tested containing all those, but not containing 40 in 10,000 of oils alone, have given an indication of 40 in 10,000.

2579. Have you ever made an analysis otherwise by other methods?—No, I have not.

2580. Is this pure spirit manufactured in Germany for the purpose of mixing with wine, and imported here for the purpose of blending?—I was not aware that it was greatly used in blending; I still do not think it is much used in blending; it is the best spirit that can be employed for the fortification of wine; and for certain commercial purposes, for the purpose of making perfumes, it is superior to any spirit made in this country.

2581. You think it is not employed in the same way that the patent-still spirit is employed for blending?—It may be so employed, but not to a great extent as far as I know.

2582. Do you mean because it is more expensive than the patent-still spirit manufactured in England?—Not for that reason; I think it has been certainly even cheaper than the patent still spirit. It is cheaper coming to this country because the laws of the country from which it comes allow it to be given a bounty on exportation; some of it has 4 *d.* or 5 *d.* a gallon bounty; they pay 4 *d.* import duty which is imposed by reason of the greater facilities that they have abroad

Sir *Henry Roscoe*—continued.

abroad for manufacture; but really that price does not cover the advantage that the foreign distiller possesses because he has his 4 *d.* first bounty on exporting the spirit, and the further profit of fabrication in a country where the laws do not hinder them at all as they do here, and a distillery in Germany is able to manufacture exactly twice the quantity that a distillery of the same size can in this country, for the reason that it can distil and brew at the same time.

2583. Whereas in this country they cannot brew and distil at the same time?—They cannot; and, therefore, it requires an outlay of double the plant and appliances in this country to manufacture the same quantity as it does in Germany.

2584. Is there any whiskey manufactured in Germany or abroad?—None that I am aware of; the only spirit that is manufactured that at all resembles whiskey is brandy.

2585. Is there any reason for that?—Yes, I think so. There are no foreign spirits bonded except brandy, they have none of that class of spirit that would improve, that would pay interest on the bonding over a long peried of years except brandy; and fine brandies that I have seen are full of impurities when distilled.

2586. I suppose there is no taste for whiskies abroad; there is no difficulty about manufacturing it, there is no inherent reason why they should not manufacture whiskey abroad?—No, it is simply that it is a British drink, and abroad it is only British people who indulge in it.

2587. When you sell your whisky which is manufactured entirley from malt do you indicate that on your casks or on your bottles?—On bottles we do, on casks we do not.

2588. But you sell it as malt whiskey?—We sell it as malt whiskey.

2589. And when it is bottled it is always labelled as malt whiskey, I presume?—Yes; but as a matter of fact I heard a person say only yesterday that I was humbugging them in telling them it was made from malt; they said there is no such thing in the market as malt whiskey.

2590. I think you advise that there should be some legislative enactment with regard to the labelling of your malt whiskey?—Labelling in bottle and also marking in cask.

2591. Cannot you do that now?—I think not. Spirits are all classed as "plain British spirit;" all classes of spirit made in this country are classed under the heads of "plain British spirit" unless it is flavoured with something foreign to itself (such as an essence or flavouring matter).

2592. But if it is desirable for your trade purposes that your manufacture should be indicated by the term "malt whiskey" as against the other drinks that you say are not whiskies, cannot you do that yourself now; what would you gain by having any legislation on the matter?—We should gain confidence with our customers, confidence with the outside public, and our character as distillers would not be subjected to the same amount of embarrassment as the embarrassment from which we at present suffer; confusion I may call it.

2593. As against other manufacturers, you mean?—As against other manufacturers.

Sir *Henry Roscoe*—continued.

2594. How would the authorities obtain evidence as to whether a manufacturer was producing pure malt whiskey or otherwise?—The authorities have already evidence. A distiller has every week to fill up his returns and sign them, stating therein that his materials are such-and-such. I every week fill up my return for the Bushmills Distillery Company, and state the number of bushels of malt I employ weekly, and for the unmalted grain I say "none."

2595. And that evidence is in the possession of the authorities?—Yes.

Mr. *Somervell.*

2596. As far as I understand, in the same way that the public are protected from the eating of butterine under the name of "butter," you think they should be protected from drinking patent-still spirits under the name of "malt whiskey"?—Exactly. I think it is a very good illustration.

2597. And you desire to see the same Act put into operation in regard to whiskey as to butter?—Yes.

2598. I think there used to be a malt permit; malt whiskey went out under a special permit, which was of a pink colour, up to the year 1864?—You refer to the duty on malt.

2599. It was marked as "malt whiskey" on the permit, and the permit was of a different colour, namely, a pink colour?—I was not aware of that.

2600. It was abolished in 1864; would you like to see that revived?—Yes; if it embodied the restrictions I have spoken of

2601. That enabled it to be traced; every permit that enabled malt whiskey to be moved through the country was of a different colour, and was marked as "malt whiskey"?—I should think that would be a distinct advantage in the present position of the trade.

2602. So that if you chose you could ensure that your customers got malt whiskey?—Yes.

2603. Are you aware that in Canada, when pure whiskey is bottled in bond, if the customers wish it, they put on a mark like that (*exhibiting a bottle*), a Government stamp on the label?—I was not aware of that.

2604. You can have that if you wish in Canada, and it is a Government guarantee that it is what it professes to be?—Yes; I see that it is done in Canada.

2605. Do you desire to see that Act extended to this country?—I would not object to it at all; I should think it would be a good thing.

2606. I did not know whether your attention had been directed to it?—No; my attention had not been directed to it. It is quite new to me.

2607. You think that passing off as malt whiskey that which is mixed with a silent spirit is a fraud on the public?—I think it is.

2608. And that they should be protected from that as much as possible?—Yes; I think it is only persons who do not know what whiskey is who are deceived.

2609. Is it your opinion that many people think they are drinking a pure malt whiskey,

Mr. *Somervell*—continued.

when they are not, as a matter of fact, at the present time?—It is my opinion.

2610. And that if they could be insured that it was malt whiskey they would drink it in preference to the other, if they were certain they could get it?—Yes. I want to show you that you can easily detect the presence of patent spirit (*producing some samples*).

2611. I will just put this question to you: you could, as a matter of fact, detect by taste and smell the origin of every silent spirit; is that so?—That depends.

2612. If there were three glasses put here containing spirit made of beetroot, spirit made of potatoe, and a grain spirit, a silent spirit, could you by your nose and palate detect which was which?—No, I could not. If well rectified it would be almost impossible to detect the difference no matter from what origin; but if they are imperfectly rectified, then every sample has something distinct; I could recognise the difference between a Coffey still-spirit and a German well-rectified spirit.

2613. But could you not recognise the difference between a grain spirit and a German potato spirit, as they are put on the market now?—No, I could not.

Mr. *M'Ewan.*

2614. You stated that it was only when spirits were impure that you could detect the origin?—Yes, I could hardly tell the difference between samples of spirits made from different materials; but I think it is possible to distinguish them by chemical means; and I think that others might do it; I think I could do it myself with a little practice.

2615. But not by the palate?—Not by the palate.

2616. I thought you said if they were impure you could distinguish spirits made from roots and spirits made from grain?—I understand you to refer to every kind of spirit. I could not do it now, but persons in practice could do that kind of thing, and I could do it once quite easily. Even now if a sample of spirit, with all those impurities, made from potatoes, and a sample made from beetroot, were put before me, I could still distinguish them.

2617. But you think it is quite impossible to detect the origin in a pure spirit, containing not more than two to three of impurities in 10,000?—It is extremely difficult; it is almost impossible; I could not do it myself.

Mr. *Somervell.*

2618. Do you consider old whiskey a healthier beverage than new?—Yes; but in that I am giving my personal experience as a whiskey drinker; I would not drink new whiskey if I could possibly get old; but I cannot remember any effects from having drunk new whiskey, because I never do so by reason of its disagreeable character.

2619. Not being so palatable?—Not being so palatable; I have known people who drank very coarse whiskies indeed, when quite new, without any injury.

Mr. *Boord.*

2620. Have you any ground for believing that new whiskey is unhealthy?—Distinct grounds I have not.

2621. Chemical; scientific?—No, I have not. All my beliefs tend that way, but I cannot give chemical reasons for that opinion.

2622. Have you made experiments to ascertain the quantity of fusel oil contained in new whiskey as compared with old whiskey?—Yes, I have; but I fear the results are not absolutely reliable; they are different from those of other people. I tried them some time ago by diaphonométre test, and found that in one sample where a proportion of 23 existed when new it was reduced to 19 in three or four years in 10,000; in other words, I found the impurities in malt whiskey to be 23 in 10,000, and to be reduced to 19 in four years. That is the only determination I have made; I confirmed it by the instrument.

2623. Have you always found that impurities in the shape of fusel oil diminish by age?—That was the only one test I ever made.

2624. We have had it in evidence that the impurities were more in the old whiskey than in the new?—Yes, I have read that evidence, and, practically, the quantity of fusel oil would be the same, perhaps, and its increased quantity may have been due to the concentration of the full liquid by the evaporation of ethers.

Chairman.

2625. You have only, however, made that one experiment, you say?—Yes.

Sir *Edward Harland.*

2626. You handed in two samples of four-year old whiskey, one which had been kept that period in cask, and another, I understood, in glass?—Yes.

2627. Is it your custom at any time to bottle off any such whiskey, and then keep it in glass, or is it invariably kept in the wood; and is it the case that this was merely a sample in glass to show the difference between that in glass and the rest; that is to say, the bulk, in wood?—I have a sample of every weeks' distillation since I went to Bushmills, now four years ago; a sample of every cask of whiskey made.

2628. Do you think there is any advantage gained by its being kept in bottle for a number of years?—None whatever from the glass.

Mr. JAMES BARR, called in; and Examined.

Chairman.

2629. I THINK you represent the distillers of Belfast?—I do.

2630. Of what company are you a director?—I am a director of Dunville and Company, Limited.

2631. Are you yourself a practical distiller?—Yes, I have been so for over 25 years.

2632. Is not the Belfast industry in the distillation of whiskey a very large one?—It is a very large industry.

2633. What does it represent per annum?—I should think the distilleries in Belfast have an aggregate distilling capacity of at least five millions per annum.

2634. What is the quantity that Dunville and Company manufacture?—2,500,000 gallons per annum.

2635. What do you use in Belfast; is it the pot-still or the patent-still?—There are both pot-stills and patent-stills.

2636. In your own company, what do you use?—There are both pot-stills and patent-stills used by our company.

2637. But in reference to the product, which is the largest proportion?—I could not state the fact with reference to other distilleries.

2638. I mean in your own company?—I would rather not disclose that.

2639. Is it grain and malt that you use?—Entirely grain and malt.

2640. What proportion of malt was used in Ireland for the year ending the 30th of September, 1889?—I read that Mr. Molyneux gave the average per centage at 32·4 or 32·6.

2641. Is that smaller or larger than Dunville's?—That is smaller that Dunville's. Dunville's uses more malt than that.

2642. Do you use about 34 per cent.?—We used about 34 per cent. in that year.

2643. Now, is the proportion of malt used in your patent-stills practically the same as the proportion of malt used in your pot-stills?—Yes, it is a little less, but not very much.

2644. Is it more than one or two per cent. less?—About two per cent.

2645. Is not the Belfast trade a very large one when you measure it in money?—It is; I find that in 1890 over 1,800,000 *l.* was paid by the Belfast trade.

2646. As duty, do you mean?—Yes, as duty on whiskey, for home consumption; that is one-eighth part of the whole whiskey revenue of the United Kingdom; and of that quantity my own company, that is Dunville and Company, paid over half a million.

2647. When was your company established?—In 1808.

2648. Then I need not say that as a distillery yours is a very large one?—It is, I should think, the largest in Ireland.

2649. Is the product which you sell in the trade as whiskey a mixture of patent-still whiskey and pot-still whiskey?—Yes, it is a blend of two whiskies.

2650. Consisting of the whiskey produced from the patent-still as well as the whiskey produced from the pot-still?—That is so.

Chairman—continued.

2651. Do you sell much pot-whiskey as pot-whiskey?—We do sell pot-whiskey by itself; but the bulk of our trade is a blend of the two whiskies.

2652. You call your patent-still spirits "whiskey"?—We do.

2653. Would it be considered that you were hardly dealt with by the Legislature if they followed the recommendation of the last witness, and did not allow you to call them "whiskey" a all?—I think so.

2654. Would that interfere with a large trade?—I think it would interfere with a very large trade all over the three kingdoms. It seems to me a very unreasonable discrimination, because to me the product of a patent-still is quite as much whiskey as the product of a pot-still; I think the essential ingredient is alcohol; if you take away the alcohol from the two spirits, what have you? You have nothing at all.

2655. Is not the whole question a question of flavour?—I think so.

2656. You think that the whiskey that you sell, which is a blend of patent-still spirit and pot-still spirit has as much right to the name of whiskey as that made from the pot-still alone?—Certainly, I do think so.

2657. And the patent-still spirits themselves being made from malt and grain, and differing from the other whiskey only by the one being distilled by steam and the other by heat from fire you think that one has as much right to the name of "whiskey" as the other?—I think so.

2658. Is your blended whiskey put in bond to mature?—It is.

2659. And do the customers as a rule, like matured blended whiskey?—We think so. We have about 20,000 customers.

2660. And do you find that they buy old whiskey in preference to new?—Yes; I think that all respectable dealers as a rule sell a matured whiskey; I mean all respectable publicans.

2661. Would you think it desirable to keep whiskey, I mean all whiskies, pot-whiskies, and your blended whiskey, which consists of patent spirit and pot-whiskey, in bond compulsorily?—No, I think it is not desirable; I think there is a very distinct increasing taste in the direction of older whiskies; I think the evidence of the official witnesses you have had before you shows that.

2662. And you think that that taste is sufficient guarantee for ageing at the moment?—I think so. I think the public discriminate very much better than we have any idea of, between a good and a bad whiskey. The whiskey most associated with the name of my company, viz., our V.R. brand, is a whiskey that has matured for very many years; we send it out about seven years old.

2663. Would you see any objection to brand-

Chairman—continued.

ing whiskies officially, according to the materials from which they are made?—I think that it would not be advisable to do so.

2664. Would it do you any harm, for instance, in your trade if malt whiskey was branded "Whiskey made from malt only"?—No, I do not think it would. We sell our whiskey as Dunville's Irish Whiskey.

2665. And that whiskey you have told us is blended from patent-still and from pot-still spirits?—Yes, but all made by ourselves.

2666. Do you think that your consumers would consider it a hardship if you were not allowed to use the word "whiskey"?—I think they would; we have built up a very immense trade, and it is known to be a blended whiskey.

2667. And it is a trade, is it not, even taking the trade of your own house only, larger than that in most of the whiskies made by the pot-still distillers?—I should think so.

2668. You do not know it as a fact?—I do not know it as a fact.

2669. Foreign spirits are not blended with British-made spirits in the Excise?—No, the Excise do not allow them to be blended for home consumption.

2670. No new law, therefore, is required for that purpose?—No. It would suit us very well if a law were made, but I think there is no necessity for any law.

2671. It would suit you, you mean, for protectionist purposes?—Solely from a protectionist point of view.

2672. The Resolution under which this Committee has been appointed involves the consideration of the application of the Sale of Food and Drugs Act and the Merchandise Marks Act to various kinds of whiskies; do you think it would be possible or advisable to apply those Acts to them?—I think not; I think it would be very inadvisable.

2673. Why; on grounds of public health, do you mean?—On grounds of public health, or on any ground. I think the public are thoroughly protected at present by the great competition there is in the trade. If a spirit merchant supplied an inferior article his trade would be ruined.

2674. And you think that the tastes of the consumers and the practices of the trade are sufficient to protect it?—I think so.

2675. For instance, do you ever sell any of your stock as "Fine old Irish malt whiskey"?—Never.

2676. And you would consider it dishonest if you did so?—We would. As I said before we sell it as Dunville's Old Irish Whiskey.

2677. Would you like to give a definition of "whiskey"?—Yes; I think the proper definition for "whiskey" is, a spirit produced from fermented wort of malt, or of malt and grain.

2678. But that would include all the spirits of this country; it would include all the patent-still spirits, would it not?—It would; it would include all stills.

2679. It would be only other words for the definition "British plain Spirits"?—Yes; it would practically be that.

2680. But it would be a more definite one; is

Chairman—continued.

there an increasing demand on the part of the public for blended spirits?—I think so. I think the public know perfectly well that they are getting it, and I think that they prefer it.

2681. Is that on account of the stronger flavour of the pot-still spirits being diluted with patent spirits, in your opinion?—My own opinion is that a blend of the two whiskies is more agreeable to the taste than either by itself.

2682. That the blend gives it a better or a more pleasant flavour?—Yes, it is more pleasant in the mouth.

2683. Is there much difference in the price of pot-spirits and patent-still spirits?—There is not much in the cost of manufacture.

2684. Is it a difference of shillings or of pence?—It is a difference of pence.

2685. Two pence or three pence or what?—Less than sixpence. Of course, when I speak of the patent-still whiskies, I mean whiskies made from malt and grain only.

2686. Do you know the average difference of cost, or the difference of cost at the present time, between pot-still spirit and good patent-still made from malt and grain; the difference in the cost of manufacture, I mean?—If you press me I will answer the question, but I would rather not.

2687. We will not press you; both pot-still whiskey made from malt and grain, and patent-still whiskey made from malt and grain, are the same spirit, are they not, except that one is made from fire and the other is made from steam?—I think that is the main distinction, if not the only one, between the two.

2688. The aim of both is to extract the spirit from the fermented wort, but it is done by means of different sources of heat in the two cases?—That is so.

2689. I am not speaking of malt alone, but of mixtures?—Just so.

2690. Have you any opinion or experience with regard to the fusel oil in whiskies?—No, I have not; only my opinion about the maturing of whiskey, I think, is more in accordance with Dr. Bell's idea; I think Dr. Bell is right.

2691. In what way?—I question very much if the quantity of fusel oil diminishes by keeping whiskey in bond. My own opinion (it is just an opinion obtained by personal experience of the last quarter of a century) is that the improvement of whiskey takes place by a slow and gradual evaporation through the pores of the wood.

2692. By the evaporation of the empyreumatic or other substances through the pores of the wood?—Yes, of something much more volatile than fusel oil is.

2693. Do you not think it may be also due to the oxidation?—There is no proof, I think, that there is anything of that kind.

2694. I suppose distillers try to get rid of as much of the fusel oil as they can?—They do.

2695. The pot-distillers try to do so?—They do. I think the distillation in pot-stills is very different from what it was many years ago; I think they are approaching more to the patent-stills. It is distilled now at a very much higher strength than it used to be.

2696. Do

Chairman—continued.

2696. Do they not now use in pot-stills charcoal to try and get rid of the fusel oil?—Charcoal is generally used.

2697. As a means of reducing the quantity of fusel oil present?—That is the object of using it.

2698. Do you think that the small quantity of fusel oil contained in new whiskey is of sufficient amount to injure health?—I think it is not; there is not fusel oil in whiskey, I think, sufficient to injure health.

2699. The quantity being really very small, you mean?—The quantity being so small.

2700. Does patent-still whiskey improve by keeping in bond as well as other whiskeys?—It does. You have had many samples put before you, and I may say that I have a few in my pocket. I have a sample of new patent with a sample of patent 12 years old, and a sample of pot both made under my own superintendence.

2701. I should like to see those?—(*The Witness produced some samples.*)

2702. Do you keep your blended whiskies in bond also for ageing them after they have been blended?—Yes. Our practice is to keep them in bond for some time before blending and for some time afterwards.

2703. For a year or two afterwards?—Yes; as I have said, "V.R. Whiskey," the whiskey most associated with our name, goes out seven years old.

2704. That is blended whiskey?—Yes. As a matter of fact the whiskey in our warehouses now varies from 20 years old downwards.

2705. This (*pointing to a bottle*) has been in a sherry cask?—Yes; of course whiskey is better if it is matured in a sherry cask. As a matter of fact we always prefer to have it in sherry casks when we can get them.

Mr. *Somervell.*

2706. You do not use your old pot-still whiskey casks to fill them up with grain whiskey?—They may be so used. When we empty our casks they are sent up indiscriminately to the distillery.

Mr. *M'Ewan.*

2707. "Raw grain whiskey" has been the common term in Scotland for whiskey made from anything but malt only?—Yes; the term "raw grain whiskey" in Scotland used to be applied to all whiskies that were not pure malt; that is to say all Irish whiskey distilleries, with the exception of distilleries where malt only is used, would have been called raw grain distilleries some years ago.

Chairman.

2708. When whiskey is racked or blended in bond do the regulations of the revenue department compel you to indicate it on every cask?—Yes, to paint the word "Racked" on the end of the cask when racked; and when blended the word "Blended."

2709. From what you have said I presume that you do not know any definition of whiskey that would satisfy all branches of the trade?—I do not. There is a great deal of misapprehension I think about the origin of the word "whiskey."

Chairman—continued.

I have been reading an old book "Morewood's History of Inebriating Liquors,"; and as far as I can judge from that book whiskey is derived from the old Celtic word "Usquebagh," and Usequebagh was not a whiskey at all, but a liqueur; so that to my mind the term "whiskey" originally meant a liqueur, and did not mean either pot-still or patent-still or anything of the kind.

2710. And it has come by use to mean all beverages of the nature of whiskey with the flavour which the public like?—Yes; as a matter of fact the word "spirit" is a much older word. I have a book which is 200 years old, and I find that the word "whiskey" is not used at all in it, nothing but the word "spirit" is there used; so that "spirit" is very much the more ancient term.

2711. If you had a legal definition of the term "whiskey" as spirit coming from a certain apparatus such as the pot-still, does not that put a bar on improving the trade by saying that you shall always make it in one particular way and not improve your apparatus?—That is so; to my mind it would be a great bar to any improvement.

2712. Then you do not agree with the previous witnesses to-day, who have said that nothing should be called whiskey except it is made from a pot-still?—No, I do not.

2713. Do you think that they would agree among themselves that one should designate his whiskey "pot-still whiskey made from malt," and the other "from malt and grain"?—I do not think they would. It seems to me as if every distiller would want a designation to suit himself.

2714. It would be a case of Kilkenny cats?—Yes; and I think it had better be left to Sir Wilfrid Lawson; he would define it much better than any of us.

Mr. *Somervell.*

2715. You want yours defined as Dunville's Irish whiskey?—Yes.

Chairman.

2716. You have a right to do that now?—Yes.

2717. You do not require a law to designate that, it is "malt whiskey," or "made from grain"?—No, we do not.

2718. Do you know anything about the use in the trade of aromatic substances for converting patent-still whiskey into ordinary whiskey?—I do not; we certainly in our own company know nothing of the kind.

2719. Evidence was given before the Committee that these aromatic substances were used for that purpose?—I read Mr. Allen's evidence.

2720. But you know nothing of that as a practical distiller?—Never during my 25 years' experience; and we have never used it.

2721. Coming from Belfast, as you do, I will ask you, have you any experience or knowledge of the fact stated that ether is growing in use as an intoxicant in that part of Ireland?—No, I do not know anything beyond what I have read in the press.

2722. But if it had become a large and impor-

Chairman—continued.

tant intoxicant, you would have heard of it, I suppose?—I think so; I do not think it can be carried to any great excess.

Mr. *M'Ewan.*

2723. While the trade and scientific men know that the word "whiskey" is generally applied only to pot-still whiskey, though you give us a larger definition, do the public know it; do they not regard the patent-still spirit as whiskey just the same as the pot-still spirit?—I think they do; they have both been called whiskies during all my experience, which, as I have said, goes back 25 years.

Mr. *Somervell.*

2724. What strength do you bring off your whiskey in the patent-still?—We distil it about 65 over-proof.

2725. And what strength do you bring it off in the pot-still?—We vary from about 45 to 50 over-proof.

2726. Are you aware of the strength at which the other pot-still distillers bring theirs off?—Not personally; but I have good reason to believe that as a rule the pot-still whiskies of Ireland are distilled at a strength of between 45 and 50 over-proof.

2727. And what strength used it to be distilled at?—It used to be dictilled at a much lower strength; I could not tell you how low.

2728. Do you know at what strength it is brought off in the Scotch pot-stills?—Yes.

2729. At what strength?—I have heard that it has been brought off from some of the stills in Scotland as low as 11 over-proof.

2730. Are you not aware that in the old Scotch pot-stills whiskey is brought off 12 to 15 per cent. lower now than it used to be?—I am not aware of that.

2731. Does it vary from 11 to 22 now, when it is brought off in Scotch pot-stills?—I could not state what it is brought off at now. I belong to Scotland myself, and I know that at the time when I left Scotland, which is 20 years ago, I knew a good many pot-still distillers, and I understood that the usual strength round Campbelltown and those places was about 11 over proof.

2732. So that the Scotch is quite different from the Irish in that respet of strength?—Quite different.

2733. You define "whiskey" as a spirit made from malt or malt and grain?—Yes.

2734. What do you define "grain" to be?—I would include in "grain," barley, oats, wheat, rye, maize.

2735. It is quite within recent years that whiskey has been made from maize, is it not?—To my knowledge, its use goes back 25 years at any rate.

2736. But not longer than the invention of the patent still?—I could not speak as to that.

2737. In the days of the pot-still was not whiskey always made of barley?—No; I think not. I think there is a great deal of misapprehension about that. I believe (and I think I believe with truth) that very many years ago

Mr. *Somervell*—continued.

there was a great deal of pot-still whiskey made in Ireland from molasses.

2738. Is not that what the public call potheen?—I think usually it is made from molasses, and is called whiskey.

2739. You would call it "rum" if it is spirit made from molasses?—I do not know really; I scarcely could say what I would call it.

2740. How would you define "rum"?—I would define "rum" as spirit made from sugar or molasses in the West India Islands.

2741. Then you think that if it is made from molasses in the West India Islands it should be called "rum," but if it is made from molasses in Ireland it should be called "whiskey"?—No; my definition of whiskey, I think, would not include molasses.

2742. I wanted to find out what you considered that the spirit distilled from molasses in the old days in Ireland should be called,—whether it should not be called "rum." You defined "rum" as "a spirit made from molasses"; only you added "in the West India Islands." Before that you told us that a considerable amount of whiskey was made from molasses in Ireland; I wanted to know why it should be called "whiskey" in Ireland and why it should be called "rum" in the West Indies. Is it something in the water or in the atmosphere that makes it different?—I could not answer that question. Of course when I speak about rum I am speaking of a thing which I have no practical experience of.

2743. You use, I suppose, maize and oats in your distillery?—Yes; malt and barley are the principal things we use.

2744. And do you use any molasses?—Never.

2745. You do not make Irish rum?—No.

2746. Then you have no personal knowledge that molasses is ever used to make what is called "whiskey"?—I have no personal knowledge of it, but I have been told so.

2747. You say that you think fusel oil remains present without change in old as compared with new whiskey?—I am inclined to think so.

2748. But you have shown a specimen of both to show that the spirit is improved very much by age?—Yes.

2749. What makes that improvement?—My opinion is that the improvement is due to evaporation through the pores of the wood of some volatile substance.

2750. Then you have a substance which chemists have never been able to classify or discover when they have analysed new whiskey?—I think neither chemists nor any one else can tell accurately what causes the improvement in whiskey.

2751. At any rate you cannot?—No, I could not tell.

2752. What quantity did you tell us you made of whiskey in a year?—The capacity of our distillery is about two and a-half millions.

2753. And what quantity have you got in bond at the present moment?—The figures go into millions.

2754. I have no doubt of that, because you have gone into millions in your make?—I would rather

Mr. *Somervell*—continued.

rather not disclose the quantity that we have in bond.

2755. Have you got 10,000,000?—I think I should not be asked to tell that. I think that belongs more to the details of the business; but we have an immense stock.

2756. Have you any objection to tell what the capacity of your bonded warehouses is?—Well, I think I should not be pressed on that point either.

2757. If it was thought necessary that whiskey should be kept in bond for a certain length of time, have you capacity to keep it?—Well, it would depend upon the time; we have very large bonded capacity.

2758. Of course, because you have a very large make; and you wish to sell your material, which is called "Dunville's Irish whiskey" to customers; do you think you should not be required to tell them whether it is made of malt or grain, or what it is made of?—I think not.

2759. You consider that you would be entitled to make it from molasses, if you could from molasses make a palatable article that people would drink as "Dunville's Irish whiskey"?—No, molasses is outside my definition of whiskey; "a spirit made from malt, or malt and grain."

2760. You object to a customer to whom you sell having a label on the article to know whether he is buying malt whiskey or not?—Yes.

2761. There is a great difference between those samples you showed us?—I did not show any samples of malt whiskey; two of those are patent-still whiskies, and two pot-still, but both made from malt and grain.

2762. In fact, you do not make any pure malt whiskey yourselves?—We do not, as a rule; we have made some, but we do not as a rule.

2763. And you never sell any?—No, we do not.

Sir *Henry Roscoe.*

2764. I understood you to say to the Chairman that you considered the manufacture of spirit by a patent-still an improvement, and that you would be loth to put any legislative restriction upon an inmprovement in the manufacture of whiskey; is that the case; have I understood you correctly?—I think what I said was, that if you define whiskey as a spirit produced by a pot-still, it is a bar to any future improvement; because of course I do not suppose any one assumes that any particular still is perfection. There may be some improvement, but if you say that it must be made in a pot-still, otherwise it is not whiskey, as a matter of course there is no room for improvement then.

2765. Then you consider that the method which you employ, namely, the patent-still method, is an improvement?—To this extent: that we think a mixture of the patent-still whiskey with pot-still whiskey makes a better beverage.

2766. And I understood you to say that in the process of the patent-still whiskey making, the oils, the higher alcohols are taken off, skimmed off?—They are.

2767. Whereas in the pot-still process that is not the case?—Just so.

Sir *Henry Roscoe*—continued.

2768. Therefore the presumption would be that these higher alcohols, especially amyl alcohol, are got rid of more effectually in the process of the patent-still making than in that of the pot-still making?—That is so.

2769. The quantity, therefore, of these higher alcohols that is contained in pot-still whiskey is somewhat higher, necessarily, than that quantity which is contained in the same material when produced by the patent-still?—It is somewhat higher.

2770. Then, is it your opinion that in another respect the pot-still process differs from the patent-still, inasmuch as in the case of the pot-still the heat is applied direct, whereas in the case of the patent-still steam is employed?—That is the main difference; and in the patent-still the distillation is continuous.

2771. Does this, in your opinion, make any apparent difference in the product; is there any burning of the wort in the one case, which does not occur in the other; what is your experience with regard to that?—My opinion is that there is not; but the general opinion, I think, is that there is something due to that, to a kind of burning.

2772. But do you not agree in that result?—No, my own experience does not bear out that.

2773. Then with regard to the question of labelling, I understand that so far as you are concerned you are satisfied with the present condition of things?—Quite satisfied.

2774. And you think that it would be a hardship on the manufacturers of the blended whiskey not to permit their beverage to be termed "whiskey"?—I think it would.

2775. Whereas those who distil from malt alone can indicate that, and do indicate it at the present time?—Yes; there are no legal restrictions to their indicating it.

2776. They may if they please?—They may paint on the end of the cask that it is "pure malt," or whatever they like, provided it is the truth; the Excise will not allow you to state an untruth; but if the whiskey is made from pure malt they allow you to paint that on the end of the cask.

2777. And is that done?—As a matter of fact, I see casks very often with "pure malt" painted on the end of them.

2778. And you think, therefore, that there is no necessity for any further legislation on the matter?—I think there is none.

2779. With regard to bonding, are you against or in favour of compulsory bonding?—I would like very well to see whiskey go out older, but I think that there ought to be no compulsion.

2780. You think it ought to be left between the consumer and the manufacturer to decide?—I think so. I think the stocks of the country show that there is a growing taste for matured whiskey, without any legislation at all.

2781. If there was not such a demand for aged whiskey, of course whiskey would not be kept in bond?—I would assume not; whiskey would not be made, and therefore would not be in bond.

2782. Is the annual make greater than the consumption?—Yes the annual make is from

Sir *Henry Roscoe*—continued.

5,000,000 to 6,000,000 a year greater than the consumption.

2783. But the reason of the make being larger than the consumption is because such a quantity has to be kept in bond, is it not?—Yes; I think the reason is that there being a greater tendency now on the part of the public for old whiskey, the manufacturers are compelled to make more than the annual requirement, so as to increase the age of the whiskey.

2784. To keep a stock, in fact?—Yes.

2785. And the demand for old whiskey is sufficient, you think, without any further legislative action?—I think so. With regard to a question put by Mr. Somervell about the capacity of our bonded warehouses, of course I do not think I would be justified in disclosing particulars of our

Sir *Henry Roscoe*—continued.

trade, but I would say this, that while I am opposed to legislation, if a law was put into force to-morrow that no whiskey was to go out under a question of years, it would not stop us one moment in our business: We are not personally interested in having no law; but I think it is a matter that should be left to the trade, between the consumer and the distiller.

Mr. *Boord.*

2786. About these samples of patent-still spirit, I see that one sample was bonded in 1879 and the other in 1890; is that spirit made with a proportion of malt?—It is; it is made from a mixture of malt and grain; about one-third of malt.

2787. It is not a rectified spirit?—It is not; we make no rectified spirit.

Tuesday, 3rd March 1891.

MEMBERS PRESENT:

Sir Lyon Playfair.	Sir Edward Harland.
Mr. Boord.	Mr. Somervell.

THE RIGHT HONOURABLE SIR LYON PLAYFAIR, IN THE CHAIR.

Mr. JAMES PATISON CURRIE, called in; and Examined.

Chairman.

2788. WHOM do you represent on this occasion?—I represent the four large London distillers.

2789. You were formerly in the trade yourself, were you not?—Yes, for 45 years.

2790. And your house even longer than that?—The distillery was in our family about 150 years, or more than that in fact.

2791. I need not ask whether you have had a very large experience?—I have had a very large experience in distilleries.

2792. What kind of spirits do the four distilleries in London make?—They make what is sometimes termed plain British spirit, but it is really more generally now called patent still spirit.

2793. It is made in a Coffey's still?—Yes; Coffey's still is universally used by the large distillers.

2794. That is to say by the large distillers in London?—Yes, by the large distillers in London; those whom I represent.

2795. No pot-stills are used at all?—Not that I am aware of.

2796. The spirit distilled by those stills is strong spirit, is it not?—It comes over at a very high strength; in fact at as high a strength as it can be brought over except in the laboratory; it comes over as high as 67 over proof.

2797. Does it come over pure, or with a little fusel oil?—With as little fusel oil as is possible; without the chemical abstraction of the fusel oil.

2798. If it were distilled at a lower strength than somewhere about 67 over proof, would it be a coarser spirit?—If it were distilled at less than a strength of from 60 to 65 over proof it would be of a coarser quality; it would be what we should term "feinty"; it would have a certain proportion of "feints" in it, and consequently it would not be so marketable; the rectifier would have far more trouble in re-distilling; he might have to re-distil it twice over before he could get a pure spirit out of it.

2799. Does not that practically mean that being weaker, the vapour of the water is apt to carry over the fusel oil?—That is so; the stronger the spirit the purer it is, and consequently the less fusel oil contained in it.

2800. In the vapour of spirit the fusel oil does not rise and pass over so easily as in the vapour of water?—That is so.

Chairman—continued.

2801. Is this spirit, before being sold bonded, or is it sent direct to your customers?—It is only bonded to suit the convenience of distillers. The distillers like to keep a certain quantity in bond in case of any accident to the machinery or anything happening to stop their work temporarily; they do not bond for any purpose of improving the spirit, but simply and solely as a matter of convenience to themselves; in order that they may have a certain stock in hand to regulate their trade.

2802. What is the patent spirit made in London chiefly used for?—It is sold principally to the rectifiers and to be re-distilled by them and made into gin, British brandy, and various cordials, such as peppermint and various cordials of that kind.

2803. Is it made into tinctures?—I believe it is used for orange tincture and certain bitters.

2804. Is it sold to any great extent to the blenders?—Not to any great extent: it depends so much upon the relative price of the London-made spirit and the German spirit. If the price is suitable it is sold probably for blending; that is to say, a dealer will purchase, we will say, 100 puncheons of spirit, and require us to keep them in bond in sherry butts for a time: then he takes them out, and no doubt uses them for blending, but we do not know anything about what happens to the spirit after it leaves the distillery.

2805. Have you any knowledge which enables you to say that it is used for blending?—I think I have quite sufficient knowledge to enable me to assert as a fact that it is used for blending.

2806. Blending with what?—With whiskeys principally.

2807. Both whiskey made from malt and whiskey made from malt and grain?—I imagine it is to reduce the very strong flavour that the whiskies have; to make them more to suit the taste of the British public.

2808. From your knowledge of the trade do you think German spirits are used also for that purpose?—I have no doubt that a certain proportion of German spirits are used also for that purpose. Taking the quantity of German spirits which are imported, and watching the evidence which has been given as to the idea the Excise

Chairman—continued.

have as to where the German spirits go, I have no doubt that a certain portion of them is used for that purpose.

2809. You are aware that what is made in Belfast and what is made in Edinburgh from patent-stills is professedly used for the purpose, according to the evidence that has been laid before us?—I believe so.

2810. How does the rectifier proceed in the direction of purifying your patent spirit when it reaches him?—He re-distils it with alkali, with salts of potash; the result is that he brings over from the still a spirit which we may call perfectly pure. Perhaps a chemist might express a doubt as to whether there is such a thing as an absolutely pure spirit, but to all intents and purposes it is absolutely pure, and as such it will take any flavour the dealers require.

2811. The object of using the alkali is to saponify the oil, and leave it in the still?—It saponifies the oil, and leaves it in a soapy state in the still, so that it is not carried over in the vapour.

2812. The rectifier's spirit being still purer than patent spirit, is used for making gin and cordials, is it not?—Yes, it is used for making gin and cordials, and for any purpose in which a very pure spirit of wine may be required.

2813. Have you any experience as to whether patent-still spirits improve or otherwise in bonding?—My experience is that patent-still spirits will not improve in the least degree from being kept in bond; the only way in which actual improvement could take place would be that the very infinitesimal portion of fusel oil which they contain would be eliminated. It cannot possibly be eliminated by age; no age will eliminate fusel oil; nothing but chemical treatment will, and my experience of spirits that we have had at our distillery which have been kept in bond a twelvemonth, is that, with the exception of their being a little softer and, perhaps, taking a little of the flavour of the wood of the cask in which they have been bonded, or, perhaps, a slight flavour of the sherry from freshly emptied sherry butts, there is no difference in the spirit.

2814. Although the bonding would not break up the fusel oil or amylic alcohol, would it not have the effect of allowing the ether and other volatile portions of the spirit to escape?—Possibly, but so far as the rectifier is concerned it would be no advantage to him at all; he would have to re-distil the spirit just the same, whether he received it direct from the still or whether it had been bonded a twelvemonth. You might have a combination of the ethers in the same way as in the whiskies, but for rectifying purposes he would have to re-distil, just as if they came direct from the still.

2815. So far as rectifying is concerned, you do not see any advantage to your trade in compulsory bonding?—On the contrary I see every disadvantage.

2816. Is your spirit sold to manufacturing chemists?—A certain quantity is sold to manufacturing chemists for making tinctures and various compounds, also as a solvent. They require an exceedingly pure spirit, and I always have said that I think it is a test of the purity of our spirits that they can use them for all chemical purposes for which they require them.

Chairman—continued.

2817. For chemical purposes bonding would not be of any use?—Not the slightest. It would only increase the price.

2818. When the spirit is intended to be used for the purpose of blending, is the distiller not asked to keep it in bond for some time?—Yes. I have had instances myself in our old distillery where we have been asked to fill freshly emptied sherry butts, and to keep them in bond sometimes for six months, and sometimes for twelve months, according to the wish of the purchaser; I may say that that is frequently done.

2819. Is not the object of that to extract the material from the old sherry casks; not for the purpose of ageing in the ordinary sense?—I think it is more for the purpose of getting the flavouring from the old sherry casks.

2820. And the colour?—Yes, and the colour; because I may say that if freshly emptied sherry butts are not procurable, which is often the case, you may be asked to put a small quantity of caramel (burnt sugar) into the cask so as to slightly colour the spirit.

2821. That caramel, I suppose, would do little if any harm to the spirit?—None whatever; it sweetens and softens it; it gives it a pleasant flavour, a sort of brandy flavour; it is what they use for colouring the high-coloured brandies.

2822. Are your patent spirits ever used for blending or mixing with braady?—I think they are, for this reason: that we have had cases at our distillery where we have been asked to fill freshly emptied brandy hogsheads, or freshly emptied quarter casks, and I have surmised that that is for mixing or blending, but as I have said we have no power of doing more than guess what is done with the spirits after they have left the distillers.

2823. Could British spirit be used for blending with foreign spirit in bond?—It could not be done in bond.

2824. So that if it is blended wtth brandy it must be done outside?—Yes, it must be done outside.

2825. After paying duty?—Yes.

2826. Have you ever been asked to fill brandy casks by rectifiers?—By rectifiers, no. I think it is generally done for dealers; in our own distillery I do not remember a case of ever having been asked to fill brandy casks for rectifiers.

2827. It is stated, and probably truly stated, that the bonding of ordinary whiskeys makes them improve by keeping?—It is generally supposed that ordinary whiskey bonded does improve by keeping, and no doubt it does get softer and more palatable; the public think so evidently by their taste at the present time for what is called old whiskey.

2828. The price of old whiskey is considerably greater than the price of new whiskey?—The price of old whiskey goes up to almost any amount, according to age; you see it advertised in the price lists at 50 *s.* I saw it only this very morning in a list that was sent to me priced at 50 *s.* a dozen for old Irish whiskey; that means

Chairman—continued.

25 *s.* a gallon; you may go up to almost any price for fine old whiskeys.

2829. Do you think the demand of the customers, as indicated by the price given by the customers for old whiskey, is sufficient to induce whiskey dealers to retain whiskey in bond, or should there be a compulsory law for the bonding for a certain period?—I think the public taste has now induced the whiskey distillers and the dealers voluntarily to do that which it is proposed that they should do compulsorily, because it is evidently a very profitable thing for them to keep their spirits. They keep their spirits in bond. They have an allowance for waste, and the price per gallon by which it increases year by year is so great that it makes, what I may call, an exceedingly good investment.

2830. Are you aware what is the amount of whiskey bonded for more than three years?—I saw by the evidence that was given before this Committee that there is as much at 85,000,000 gallons of spirits in bond at the present time; that would be over three years' consumption.

2831. And that without any compulsory law?—Yes, without any compulsory law.

2832. Supposing there was compulsory bonding what would be the effect upon the trade that you know best—the London Distillers' Patent Still Whiskey; would it cause them much expense?—The expense would be enormous, in fact it would be difficult to estimate what the expense would be that the London distillers as a trade would be put to. I estimate that each of the four large London houses, taking the trade of each individual house at a million and a-half gallons, would have to increase its capital by at least 250,000 *l.*, and I consider that the annual charge would be somewhere about 23,000 *l.*, and the cost to Excise for extra staff 2,000 *l.* a year. The expense of warehouses would be enormous; it is very difficult to estimate what the warehouses would cost each London house, because I have not the means of knowing whether each London distillery has the land upon which to build the warehouses; but they would require about thirteen times more room than they have at the present time, for the warehouse room of the distilleries at the present time is only adequate to enable them to keep sufficient for their own convenience. If a distiller is obliged to bond for a year's consumption, taking that at the value of about 100,000 to 150,000 gallons, he would require thirteen times his present space. In fact, to be quite sure about the quantity, I asked the Board of Inland Revenue to give me the quantity of spirits held in bond at the four London distilleries on the 31st of December last, and the total amount was 346,000 gallons, so that I am quite within the mark when I say from 100,000 to 150,000 gallons, so that as a matter of fact it would take thirteen times more warehouse room than the distiller now has to hold the spirits alone. I calculate that it would cost each distiller something like 60,000 *l.* for the warehouses and plant. Then we have had evidence given, and very clearly given, that if the spirit is to improve at all (and that is the only purpose for which the bonding would be made compulsory) it must be bonded in casks. It would take 20,000 casks which I put down at 40 *s.* each, which I make 40,000 *l.*, to bond each of the distiller's requirements for a year, because it would be necessary that each distiller should hold more than is actually wanted for his trade. Taking his trade at a million and a-half, that must necessarily mean two million gallons, which he must keep in bond in case of any extra trade springing up or any accident happening to his machinery. Then you have the capital represented by 2,000,000 gallons of spirits, at 1 *s.* 6 *d.* a gallon, locked up for the entire year, making 150,000 *l.*; those figures would come up to about 250,000 *l.* in capital. Then besides that there is a very grave consideration which is this: that for the four London distillers now to make up their requirements in bond for a twelvemonth with their present plant, it would take them from five to seven years to accumulate in bond sufficient to start with their 2,000,000 gallons.

Chairman—continued.

2833. If you were at once to bring into operation a compulsory law of bonding for one year, there would be nothing to sell at all for four or five years?—If the distiller has to keep his trade supplied for four or five years, it will take him all that time to accumulate sufficient to start with for the first year of bonding. Then there is another grave consideration which I should like to mention to the Committee: You may possibly be aware that there is a very important item to set off against the distillers' expenses, which is the sale of the offal, wash, and grains. In the way the distillers work at the present time, they work their distilleries pretty full during the latter months of the year, when the sale for wash and grains is good and when they can get rid of it, and they slack off in the summer months when the wash and grain trade falls off. If there was an Act for compulsory bonding, and they were obliged to work full the whole year, they must sacrifice during all the summer months, and for a great portion of the winter months, the selling of the wash and grains. If I put the wash and grains down at from 1¼ *d.* to 1¾ *d.* per gallon, and it is sometimes as high as 2 *d.* a gallon, you will see at once what a tremendous loss there would be during the five years or seven years that it would take to make up the 2,000,000 gallons; I estimate that at the least at about 10,500 *l.* a year, so that it would make a difference to the London houses of from 40,000 *l.* to 45,000 *l.* of absolute loss upon the offal; it would increase the price of spirits to that extent, against which the distillers would get no remunerative increase of price on account of age.

2834. Is not there a large cost incurred by distillers on account of the curious rules of the Excise that the important operations of mashing and distilling shall not go on at the same time?—That regulation of the Excise requires the distillers to have exactly double plant and double sized premises all through; it really has doubled the cost, so to speak, of their operations.

2835. That their operations not being continuous, they really must have double the space in the distilleries that would be necessary if they had not these regulations to comply with?—That is so.

2836. I suppose you are aware that the Excise are willing now to give up the rule, but that the

Chairman—continued.

distillers do not see the advantage of it now that they have built their distilleries?—I was not aware that the Excise were willing to give up the rule; I have always understood that they attached very great importance to keeping that regulation in force. If they were to give that regulation up, of course it would at once double, so to speak, the power of make of the four London distillers, and the enormous outlay in extra plant to which they have been subject would be lost.

2837. But would it not give an advantage to new works to come in with about half the capital?—Yes, no doubt it would give an advantage to new works to come in with about half the capital, but then I think the London distillers would have very just cause for a claim for compensation, because if they have been forced by the Government to lay out enormous sums upon their premises to conform to the regulations of the Excise, if those regulations are done away with, surely we should have a good claim for compensation.

2838. If a proposal has been made by the Excise, which I understand is the case, are you surprised that the London distillers who have been obliged to invest twice the amount of necessary capital in their premises do not see the advantage of accepting the proposal?—Looking at my own case, I should say unquestionably such an arrangement now would be very unfair to the existing London distillers. Take the case of our own distillery at Bromley, which was burned down in the year 1879; unfortunately I had to re-build the whole of those premises at an enormous cost to conform to the existing Excise laws. If they go and remove those laws after having forced me to lay out over 100,000 *l.* upon the premises to conform to those laws, surely I have a right to claim compensation. I do not think any such sweeping alteration as that could be at all fairly adopted without compensating the distillers for what they have been forced to lay out.

2839. Does not it seem a very hard thing that the Excise regulations should oblige distillers to double their capital?—The Excise regulations have been found absolutely necessary for the collection of such an enormous duty as 10 *s.* 6 *d.* per gallon on an article worth 1 *s.* 6 *d.*, and though of late years the Excise have seen their way to modify those restrictions, yet I think it would be very dangerous to remove them to any great extent. The proportion borne by the amount of duty to the value of the article itself is so great that the manufacture must be encompassed with all sorts of regulations; and after all it is the cheapest duty, so to speak, the Government have; they collect an enormous revenue at a very low rate.

2840. Then generally, I understand, that you do not think there is any necessity for making any new laws in reference to the retention of spirits, either true whiskeys or patent-still spirit?—I think there is no occasion whatever for it. I think any law for compulsory bonding would not be attended with any good whatever; it would only throw a great deal of hardship and unnecessary restrictions upon the trade without being any sort of benefit to the public.

Chairman—continued.

2841. I suppose you have no experience in regard to health of old and new whiskeys respectively?—Not the least except that being of rather a gouty nature I am ordered to drink whiskey, and I prefer that which has been kept; I think the public taste is decidedly in favour of old whiskeys.

2842. You think it better to leave it to the public taste to demand the old whiskey?—I think it better to leave it to the public taste to guide itself.

Mr. *Somervell.*

2843. You have drawn a very gloomy picture of what would happen if spirits were kept in bond for a year compulsorily; I gather from your evidence that a great quantity of whiskey and grain spirit is put into consumption at an earlier date than a year?—I have no information with regard to that; I can only speak for plain British spirit; the plain British spirit is sent directly after it is made to the rectifier, who re-distils it, and then it goes into consumption as gin and other liquors.

2844. Do you say that, so far as the London distillers' trade is concerned, none of their patent spirit is sold as whiskey at all?—It is not sold as whiskey by the London distillers; whether it may ever be sold as such after it leaves the London distillers it is not in my power to say. It is sold by the London distillers solely and purely as plain British spirit.

2845. If the spirit which you make is palmed off upon the public as whiskey, either in its pure nature, or by having a slight amount of malt spirit added to it, would you not consider that a fraud upon the public?—Certainly not. I cannot see what fraud it is upon the public any more than if one drinks blended port wine not vintage wine, or if you drink a blended tea; it is called tea; it may be grown in China or in India. Almost every article of consumption you take now is blended; if you are a smoker you smoke blended tobacco.

2846. Do you mean to say that a little log-wood in wine sold as port would not be a fraud?—It would be manifestly a fraud to sell to the public any article with a wrong denomination.

2847. But port does not cease to be port because it is not labelled as a vintage port; it may be better or worse, but it is not a fraud?—It is not a fraud.

2848. You sell yours as British spirit?—Yes.

2849. You only sell yours as British spirit?—Yes; but in Scotland and Ireland the same article would be called grain whiskey.

2850. Is it not a fraud upon the public that what you turn out in your distillery as British spirit, and sell new because as you tell us it would be an enormous expense to keep it, should go into consumption with a slight admixture of malt spirit, and be palmed off upon the consumer as whiskey?—I do not consider it a fraud at all, because how are you to define "whiskey."

2851. You do not manufacture whiskey, do you?—No; we do not manufacture whiskey.

2852. Then undoubtedly any portion of your spirit which is added to the whiskey makes that blend contain a portion of spirit which is not whiskey?—And which improves the spirit to which it is added.

2853. That

Mr. *Somervell*—continued.

2853. That is your opinion?—That is my opinion.

2854. According to that, your idea of improving and educating taste would be to drink your spirit without any blend of whiskey at all?—I do not say that. The spirit that we sell contains infinitely less fusel oil or other impurities than the whiskey itself; therefore, if blended with the whiskey itself, it makes a more palatable and wholesome drink than the pure whiskey.

2855. That is a matter of opinion; have you made any experiment as to the quantity of malt whiskey with what you call impurities in it that it requires to flavour, according to whether you take your own spirit or the German refined silent spirit, which is even a purer spirit according to your theory than your own; if you take those as a blend, have you ever considered that it takes a great deal more malt whiskey to flavour the German than it takes to flavour your silent spirit?—I am not aware of that.

2856. Assuming that that is the case, is it not possible that these so-called chemically pure whiskies might also require something to be done in the same way that would be injurious to the coats of the stomach?—I have no experience whatever in whiskies of any sort or kind beyond what I take myself. I have made no experiments, either upon highly flavoured malt spirit, or upon any other spirit.

2857. Do you ever take British plain spirit as whiskey?—I believe British plain spirit is the purest of all the spirits. If I may refer to Dr. Bell's evidence before this Committee, he regards the plain British spirit made by Coffey's still as as pure a spirit as can be possibly made, and purer than the whiskies.

2858. Chemically more pure, but it may be more unhealthy. I ask you whether you have drunk plain British spirits as whiskey yourself?—I certainly am not in the habit of drinking the British plain spirit myself, though I think it would very much be less injurious than a great deal of the stuff that is sold as whiskey. I drink what is called whiskey.

2859. You said there was three years' make in bond now?—I said that by the Excise figures there were 85 million gallons.

2860. If there were compulsory bonding for a year, you would only draw upon the quantity in bond to the extent of a year's consumption?—There are 85 million gallons in bond, and you have to add the year's consumption on to that.

2861. That is not the question; there is ample spirit in bond, more than enough, is there not, to provide for the consumption if a law were made that no new spirit should be sold till it was a year old?—No, certainly not; because a portion of the 85 millions is of no use whatever to the rectifier.

2862. I was talking not of the rectifier, but of the consumer of whiskey?—I do not pretend to say anything about the consumption of whiskey. I contend that the rectifier must be supplied with plain British spirit to meet his requirements for the consumers of gin.

2863. I quite agree that if the spirit is

Mr. *Somervell*—continued.

ultimately to be rectified there is no object in keeping it in bond for a day, but speaking of unrectified spirits which are to be consumed, there is an ample supply in bond to carry on the consumption until the other spirits were aged a year?—Yes, no doubt.

2864. Did I understand you to say that fusel oil was not altered by age?—In my opinion spirit is not altered in any way by age as regards the fusel oil contained in it.

2865. Are you a chemist?—Nothing more than a practical chemist, as regards distillation, not as regards the laboratory.

2866. Upon what ground do you base that opinion?—By keeping the spirit for a length of time the spirit does not alter.

2867. Does not it alter in its flavour?—Not the plain British spirit; it will get a little softer, or if you bond it in sherry casks it will take the flavour of them.

2868. Does not old British spirit fetch a rather higher price than the new?—Certainly not; the rectifier would not give me a penny a gallon more for old than for new.

2869. What is the spirit you make?—It is much the same as the Scotch patent still spirit, except that there may be a little difference in the proportion of malt used.

2870. We have had evidence from a Scotch patent distiller that the spirit increases in value from 4*d.* to 6*d.* a year?—That is their whiskey.

2871. Not the patent spirit?—That is their grain whiskey.

2872. That was Mr. Drysdale's evidence?—I heard Mr. Drysdale's evidence, and he was talking of grain whiskey.

2873. Your spirit is manufactured in Coffey's patent still?—Yes.

2874. The Scotch grain whiskey is manufactured in Coffey's Patent Still also?—Yes.

2875. Is there any difference in the ingredients which are used in your spirit and in the Scotch?—I imagine that the Scotch use for their patent-still whiskey a considerably larger proportion of malt than we use for our plain British spirit. We only use the malt to convert the starch of the raw grain into the sugar, and every ounce of malt we use beyond that we lose by.

2876. What proportion of malt do you use?—That is one of the secrets of the trade; I will give it you in "abouts" if you like, but it is manifest that the larger the proportion of malt you use the greater the cost of your spirit; therefore, we only use just that small proportion of malt, using the diastase of the malt as the converting agent to convert the starch of the raw grain into sugar. You may take it as a very fair average, about 15 per cent.; I think the Scotch distillers gave it at about 25 per cent.

2877. Do you claim that your British plain spirit, as you call it, under analysis would be different from the Scotch grain distillers' spirit?—I have never analysed the Scotch grain distillers' spirit, and I am not prepared to say.

2878. You have seen it?—Yes, and tasted it.

2879. Is there any difference in the smell and

Mr. *Somervell*—continued.

the taste from yours?—Yes, certainly; one has a more whiskey character than the other.

2880. Yours is a silent spirit?—Yes, and theirs is more of a whiskey.

2881. Then it is the case that the origin of the material, even in the patent-still, makes a considerable difference in the taste and smell of the spirit which is produced?—The origin of the material, and the mode of working the still. The Coffey still does not work automatically; there are various ways of working it; you can alter the character of the spirit by the way in which you work your still. You alter the character of the spirit by the ingredients you use. I am not in the secrets of the Scotch whiskey distillers to know what precise materials they will generally use; they may use a proportion of barley as well as maize, or they may use a larger quantity of oats; either of those ingredients will alter the character of the spirit produced.

2882. Do you say there is practically no fusel oil in your spirit?—I say there is practically no fusel oil. Dr. Bell says there is fusel oil contained in a very small proportion in all kinds of spirits, and that it can only be eliminated by a chemical process, but I contend there is as little fusel oil in our spirit as it is possible for any spirit to contain which is not chemically treated.

2883. You also maintain that fusel oil does not change in its character by age?—Fusel oil is contained in the ethers, I believe, in the spirits; so I see in Dr. Bell's evidence, and from communications I have had with Dr. Bell.

2884. I want your own opinion; Dr. Bell's evidence may possibly turn out to be valueless. We have had evidence which has contradicted Dr. Bell's evidence upon all these material points, as to the fusel oil at any rate; and I want to know whether there are any grounds besides Dr. Bell's statement here that fusel oil does not change by age?—I know nothing of fusel oil excepting this, that it is the most stinking stuff that you can possibly come across, and our object is to keep as much of it out of our spirit as possible.

2885. You either do not understand the question, or you are evading it; you made the statement that fusel oil did not change by age, and I wanted to get your authority for that statement?—I do not think I stated that fusel oil did not change by age; I said our spirit did not change by age on account of the small quantity of fusel oil contained in our spirit.

2886. I took it down as your statement that fusel oil was not altered by time?—I said that the proportion of fusel oil contained in our spirit was not changed by age.

2887. Therefore, if the proportion of fusel oil in the spirit is not changed by age it must follow that the fusel does not alter; if the fusel oil ceased to be fusel oil by age then the proportion would be different in old spirit from that in new?—My belief is that nothing but chemical treatment will eliminate fusel oil from spirit. I do not believe that age will have anything to do with the alteration of the amount of fusel oil contained in spirit.

2888. Having made that statement, I want to know what authority you have for it?—I speak of my own conviction, and my own experience as to testing the quality of our own spirits after we have kept them for one or two years in bond, and I also give my own opinion, based upon experiments which have taken place in the laboratory of our distillery.

Mr. *Somervell*—continued.

2889. Those were experiments under the old system of discovering fusel oil?—Yes.

Sir *Edward Harland.*

2890. I did not quite gather what the materials were which were used generally in the Coffey's stills in the neighbourhood?—As regards the materials used at the present time, we may call maize, Indian corn, the staple commodity; there is a sufficient quantity of malt used to convert the starch into sugar; we use no more than we can help on account of the cost, and a small proportion of oats, so that you may take maize, oats and malt as being the principal component parts at the present time; but sometimes, of course, if the maize market got very dear, the distillers might have to use barley again, as we used always to use it in former days, before maize became the staple commodity; in my younger days, barley, malt and oats used to be the principal ingredients from which spirits were made.

2891. Is rice or molasses used?—Never for the better kind of spirits; rice is used at times for producing the raw spirit for methylating; it does not produce a spirit which would be of use to the rectifier for his purposes.

2892. I understood you to convey the idea that it made very little difference as to what the grain or other materials that were used were; that a silent spirit was the same practically when produced by almost any material?—No, I think you must have misunderstood me; I said that the quality of the spirit depended very much indeed upon the materials used, and also upon the working of the still; for instance, rice will make a very different spirit from a grain spirit; molasses will make a very different spirit from either of them; you must take into account the origin of the article which you are distilling; you will get a different spirit from each of those materials.

2893. If your new product were going to the rectifier, would it in that case make any difference as to what had been used for its distillation? Undoubtedly it would; I think there are very few rectifiers in London who would buy rice spirit if they knew it; they would be sure to find it out, even if they were not told.

2894. Upon that answer it is the materials and the relative proportion of the materials that are used by the distiller which go to produce the varied quality of spirit; is that so?—Yes.

2895. Is it the custom of the trade here then to use such a mixture of grain or malt as to produce a spirit which would represent nearly or more nearly the present whiskey?—It has not been the custom of the London distillers to do so. The London distillers' trade is almost entirely with rectifiers. The London distillers do not pretend to be whiskey makers. I do not mean to say but what we have tried experiments in our old distillery in days gone by. We have put an extra quantity of malt in to see what the result would be, but the trade of the London distillers is for rectification.

Sir *Edward Harland*—continued.

2896. Do you not think that the difference in the cost between the price of whiskey and the price of silent spirit is rather too tempting an inducement to distilllers to endeavour to produce something which would be a very fair imitation of whiskey and perhaps be saleable as such?—I daresay the London distillers would be tempted to do that if the temptation were thrown in their way, but my impression is that there is not sufficient temptation to the London distillers to depart from their usual course.

2897. Have you read the evidence of the Scotch rectifiers who consume the spirit direct from the still, and who by the adaptation of German and other mixtures consider they are fully entitled to call the product whiskey?—I should very much like to have the term whiskey defined; it has never been defined yet. A great number of spirits are called whiskey. Any kind of spirit from the highly flavoured malt whiskey to the ordinary blended whiskey, if it only contains a small proportion of what was called whiskey before it was blended, is all called whiskey; there is no definition of whiskey.

2898. Do you think it likely that the pot-still distillers and the patent-still distillers could ever agree upon it; is it not more convenient to them perhaps that there should be no precise definition of the term?—I think it is very convenient that there should be no precise definition. I think they would never agree upon what was whiskey.

2899. You are not aware, perhaps, that the silent spirit distilled in this neighbourhood is sold direct as whiskey?—I do not in the least believe that it is sold direct as whiskey. It is quite possible, as I said just now, that where a distiller is asked to fill emptied sherry butts, and to keep the spirit in there for a length of time, the purchaser may eventually use that as whiskey; that is quite possible; we have no means of tracing it, and we do not know it, but if he did not wish to sell it as whiskey, why should he ask us to use freshly emptied sherry butts, and if he did not wish to sell it as brandy, why should he ask us to use freshly emptied brandy butts. We can only, as I say, suppose the ultimate use of the spirit by reason of the casks that are filled; we have no other evidence of that.

2900. We have had evidence as to the general market price of malt whiskey and the malt used in certain proportions; if not trespassing upon any trade secret, although I daresay, the information is to be found in the lists of the published prices, what is the market price of the silent spirit as manufactured in this neighbourhood, from your experience?—At the present time it is abont 1 *s.* 6 *d.* a gallon in bond.

2901. You stated that you considered it would be a very serious expense to the parties you represent if bonding were insisted upon; but I failed quite to follow your reasoning. In the first place, you described to us that a good deal of the product of the trade here went directly into consumption. Assuming, for argument's sake, that it was required to have all spirits bonded for a year, what amount of make would be required to be retained over in order to accumulate it for a year. Of course, if you only retained your production for one day, it is quite

Sir *Edward Harland*—continued.

evident you would require 365 times that amount to accumulate it for a year; but I assume it is not passed off for consumption in the period of a day. What would be the period between its passing through the still and its going off the works?—Sometimes a week, and sometimes a fortnight.

2902. If it is a fortnight, you would require 26 times the amount of make you would otherwise require to get the accumulation for the year?—I calculate that in this way: I calculate that a distiller who has a trade of 1,500,000 gallons keeps about 100,000, or, may be, 150,000 gallons in bond for his own convenience, therefore he would require 13 times more warehouse room if he had to bond for a twelvemonth than he requires at present

2903. In that case we should have the bonded warehouses filled with your production, and if it were required to be retained in bond for three years it would clearly require three times that amount?—Yes; that would be 39 times the present amount of space, and I do not know where the land could be got to provide it.

2904. With regard to your objection to the Excise forbidding the distilling and mashing to go on at the same time, would it not be an advantage to the old firms who have been put to the expense of meeting the requirements of the Excise if that restriction were removed; would it not enable you to produce double the amount?—*Cui bono;* what use would it be.

2905. Could not you sell double the amount of your present make?—Certainly not; if the distillers are not working up to their full quantity now according to the requirements of the trade, what would be the advantage of doubling their power of production. The distilleries have been made of their present size to conform to the Excise regulations, and they are made to meet the requirements of the individual distiller's trade; if you double the output you cannot sell the spirits.

2906. Is it not the experience of almost every business man in the country that in about 10 years he has to double his premises owing to the extension and expansion of his trade; assuming that to be so, would not the distiller very shortly be enabled to take advantage of the capital he had invested?—I do not know what the temperance party in the House and the country would say if the output of all the distillers was doubled, and the consumption of spirits in the country also doubled.

Mr. *Boord.*

2907. I think you said that you did not call your spirit whiskey?—No; I think you must know that.

2908. And yet it is precisely the same as the Scotch patent-still spirit which they do call whiskey?—I do not think it is the same for this reason, that I believe the Scotch patent-still whiskey, which they call grain whiskey, has a much larger proportion of malt in it than we use in ours.

2909. That is the distinction?—I suppose so.

2910. I think you said that you did not know that London grain spirit was ever sold as Irish whiskey?

Mr. *Boord*—continued.

whiskey?—I have not the slightest knowledge of that.

2911. I think that Mr. Somervell asked you a question upon the point whether it was used for blending?—I think, as I told Mr. Somervell, that it was impossible for London distillers to trace what became of the spirits after they left the bonded warehouse. They may be used for blending with Scotch whiskey, or they may be used for blending with Irish, but we have no data whatever to go upon to enable me to give any evidence upon that point.

2912. Is it a fact within your knowledge that an attempt has been made to make what is called London Irish whiskey?—I have no knowledge of that.

Chairman.

2913. In saying that you thought there was no harm in mixing British plain spirit with whiskey, do you allude to the fact that the spirits distilled would be of the same material whether they are called whiskies or patent-still spirits?—The same materials, but the proportions may not be the same. The reason of my observation that I did not think there was any harm in blending plain spirit with whiskey is because of the purity of the plain spirit. It is a purer spirit in itself I believe than whiskey, therefore I do not see any harm in blending one with the other.

2914. As I understand, whiskey is made sometimes wholly from malt, and sometimes from a mixture of malt and grain; is your British spirit also not made from malt and grain?—Our British spirit is made from grain with a very small proportion of malt; the malt is simply used for its diastasic power in converting the starch into sugar.

2915. Would you say 15 to 17 per cent. of malt?—Say about 15 per cent., and if we can work with less than 15 per cent. we work with so much greater advantage, because the produce of a quarter of malt is very much less than the produce of a quarter of raw grain; therefore, if you go to the expense of converting the raw grain into malt, and get a less produce from working it, it is manifest that you are working at

Chairman—continued.

a considerable disadvantage, so that we only use the smallest proportion of malt that will attain the object of converting all the starch in the tuns into sugar.

2916. I think an honourable Member put some questions to you about fusel oil. Now fusel oil is a very vague term in itself; it consists of a number of things, does it not?—Chemically, I believe, it consists of a number of impurities in the spirit.

2917. But the great bulk of it is a substance known by the name of amylic alcohol?—That is so.

2918. It is that which you think would remain unchanged unless it were saponified by alkalis?—That is so.

2919. You do not say that the other materials do not volatilise or change, but that the amylic alcohol does not change?—That is so; we endeavour to keep all the fusel oil back in the stills entirely because it is an article of commerce by itself; it is bought by some chemists and druggists for solvents and various things, and we collect it and wash it, and get it as pure an oil as we can, and sell it for the purposes the chemists use it for. At one time we had a very large trade with America in that article.

2920. An honourable Member wishes me to ask you what do you estimate as the produce of a quarter of malt and grain respectively?—I can put it more clearly, in this way: I must take the grain from which the malt is made. A quarter of English barley, if it is fine English barley, ought to produce from 23 to 24 gallons of spirit, but if you convert it into malt you would not get more than from 18 to 20 gallons when converted, on account of the loss in the growth and in the process of malting; the growth of the corn converts what was the ordinary grain into sugar; the diastase of that malt is used for the conversion of all the starch in the tuns into sugar.

Mr. *Boord.*

2921. Does the same apply to maize?—Yes, only that maize is a grain which can only be malted at a very high temperature.

Mr. James Greenlees, called in; and Examined.

Chairman.

2922. You belong to a large firm of distillers, do you not?—Yes.

2923. Where are your distilleries?—In Campbeltown, in Scotland.

2924. You are also blenders and whiskey merchants?—Yes.

2925. To a considerable extent?—To a large extent.

2926. Your distilleries are from pure malt only, are they not?—Yes, from pure malt only.

2927. Have you had any difficulty in getting bonded warehouses to store your spirits in?—We have been put to considerable trouble for many years.

2928. On what account?—In Campbeltown all the distillery warehouses are full, and when

Chairman—continued.

you apply to Somerset House they tell you that there is plenty of warehouse room in the country; that is what they state.

2929. You wish to have bonded warehouses in the neighbourhood, and you complain that the Excise compel you to take your whiskey to some distance away?—But even in Glasgow they refused us our warehouse, and we had to go to the Treasury, because if there is warehouse room in any district they state that there is sufficient warehouse room for your whiskey. We carried the thing to the Treasury, and asked them if they insisted upon our keeping 10 puncheons of whiskey in one warehouse, 30 puncheons in another, and 20 in another, all over Glasgow, having to cart them to one warehouse each time they

Chairman—continued.

they would require to be blended, and after blending carted back, incurring heavy expenses. At that time Mr. Ramsay, the distiller of Islay, was Member for the Falkirk Burghs; he took the matter up and went to the Treasury, and at last, after a considerable amount of trouble and delay, got the warehouse.

2930. What conclusion do you draw from that, that sufficient facilities are not given to whiskey distillers and merchants by the Excise for the purpose of ageing their whiskies?—Yes, for this reason: in Campbeltown, where we have three distilleries, two of the warehouses were very full; in fact, the Inland Revenue were complaining, and when their inspector came down from Somerset House they complained of the state that those warehouses were in on account of the number of casks. We bought a piece of ground a little bit away from the three distilleries, and proposed to build a general warehouse there, so that whichever distillery wanted room to warehouse, if the warehouses were too full, we could take the whiskey and put it into the warehouses.

2931. What was the object of the Excise in refusing permission; was it that it would increase the expense of superintendence?—No; the only reason they gave in this case was that if that were granted to us other distillers might want the same, and they would have to grant it to them.

2932. I take it that the inconvenience now suffered would be increased if there were compulsory bonding for the purpose of age?—Yes; I do not know whether we could do it at all. I will give you an instance arising at those three distilleries. In our present warehouses we have 922,000 gallons, while the actual quantity which should be in those warehouses is only 780,000 gallons, so that we have 140,000 gallons in the warehouses more than there should be, which mean passages filled up, so that you cannot get casks out or in.

2933. You have had considerable experience in blending and racking?—Yes.

2934. Why do you think the blending is such an important part of the whiskey trade?—I would say that in Scotland particularly, each district makes a different whiskey, a whiskey of a different flavour and having its own peculiarities. The taste for whiskies nowadays is such that you cannot get people to drink these distinct flavours by themselves; it is an acquired taste for a man to drink Islay pure, or Campbeltown pure, or Glenlivet pure; but by mixing those whiskies in certain proportions, you make them much more palatable and pleasant, and produce a better article.

2935. Do you find that the taste for milder whiskey has been increasing lately?—It has been increasing enormously; people want a much more silent and much older whiskey than they did 10 or 15 years ago.

2936. Have you anything that you would like to explain to the Committee as to the manner of blending whiskies; does it proceed upon any principle?—Every firm have their own different ideas of what they should blend. By taking the different whiskies you may produce a different character altogether. You may have the Glen-

Chairman—continued.

livet flavour preferred in one district; for that you give less Islay, less peat. In another district of country they prefer the peat-flavoured whiskey, and therefore you give a predominance to the Islay in the blend.

2937. It depends upon the experience of the blenders of the nature of the whiskies and the taste of their customers?—Yes, in London, or anywhere in England or Scotland if you put on a different whiskey to what people have been accustomed to; if you put on Islay pure, for example, they would not care for it at all; the people would complain, although the whiskey might be very much better than that which they preferred.

2938. Did you say that you considered that the public taste requires more of an admixture of silent spirit?—No; I say they like an older whiskey, more silent, with less flavour.

2939. To attain that new process of blending are the grain spirits used for blending?—Yes.

2940. Made in the patent-still?—Yes, a grain spirit made in the patent-still spirit; that is the advantage you have in blending. If you use patent-still spirit you make your blend more perfect by using a little grain. If you unite different characters of whiskey, if you make a blend of, say, five fine malt whiskies, without grain, unless they have been blended for a very long time together, you can almost detect the different distilleries they have come from.

2941. If you have a very expert taste?—Yes, if you are accustomed to seeing whiskies and mixing them; then if you put in a very small quantity of grain spirit into your blend you at once marry them, and you cannot detect the difference in the slightest.

2942. Are not grain spirits used pretty largely for blending?—Yes, to an enormous extent.

2943. Not only as a little addition, but to mellow it to the taste of customers?—Yes, it is to mellow it to the taste of customers, and also a question of price.

2944. But you must consult the taste of the customers?—You must.

2945. That grain spirit is largely made both in Scotland and in Belfast for the purpose?—Yes.

2946. Is it to any extent made in London?—No; I do not think the London spirit is used much for that purpose.

2947. It is chiefly the Scotch, is it?—Chiefly the Scotch and the Irish.

2948. Is the Irish spirit not used in London?—Yes; there is a large quantity of Irish used.

2949. Do you use German spirit?—No.

2950. Why not?—Because it is entirely a different thing; it is made from roots, whereas Scotch is made from grain.

2951. But we have been told in evidence that all the German spirit, except that used for methylation, is a very pure spirit?—It may be pure chemically, but it is certainly not whiskey if it is made from potatoes and beet-root.

2952. If it is as pure as the London grain spirit why should it not be used; it has a differential duty of a certain quantity to compensate for its absence of excise restrictions; why

Chairman—continued.

should you not use it?—Because it is most injurious if it is made from roots.

2953. Is it used for blending?—It must be only to a very small extent if it is; you have to bring it out of bond and pay the duty upon it.

2954. It is said that, being exceedingly cheap, after paying the duty it will compete with the patent spirit in this country?—It will compete, but not if the Customs introduce the new mode of gauging the casks; as the German casks were sent in here the customs gauging was entirely wrong; you could get from three to six gallons in a cask free of duty, and that allowed the Germans to sell at a much lower price.

2955. Is it upon the question of the competition and the price that you object to German spirits?—No; I object from the fact that their spirits are not made from grain at all; they are made from roots, beetroot and potatoes; and then I do not think the German spirit will mature at all; it will not improve by keeping.

2956. May it not be so pure that the very fact of its purity will prevent its improving by keeping?—No; if it is so chemically pure they will have taken away that which would make the spirit mature.

2957. Is it not the fact that the impurities may have been taken out so completely that there is no necessity for maturing?—No person would drink German spirit if he could get fine old malt Scotch whiskey.

2958. I quite agree with you, but I am speaking of it as a question of a grain spirit which is produced by the patent, and in the same way as Scotch or Irish, though in a different form of still, but they are both produced by steam from grain and malt?—German spirit is made from roots, not from grain and malt. I want to know why you exclude German patent spirit and admit these English patent spirits for the purpose of blending?—In the first place there is no Scotch patent spirit sold now as whiskey.

2959. We have been told that it is supposed by being put into sherry casks to get something from the sherry casks?—That was London spirit. I say there is no patent grain spirit sold in Scotland new; it is all kept old.

2960. How is it kept; in what sort of casks; chiefly in sherry casks, is it not?—In all sorts, but sherry casks will improve the spirit most.

2961. The patent spirits of Scotland, as I understand, which are used chiefly for blending are stored in sherry casks in order to be kept; is that for the purpose of improving, by age or for the purpose of improving by the sherry casks?—For the purpose of improving by age, because the effect upon the whiskey of sherry wood is very good.

2962. Is that a question of age; is it not a question of extraction from the sherry casks?—No, it is a question of age, if you take a freshly emptied sherry cask, then take a cask which has been filled with whiskey before and put a little portion of sherry into that cask, equal to what you consider there would have been in the other, and then take a plain distiller's cask and fill them all with whiskey, the first, the sherry cask whiskey, in a few years will be much better, softer, and pleasanter than either of the other two.

Chairman—continued.

2963. Supposing you had put it into the cask which had never contained any sherry, would it improve as much?—It would not improve quite as much, but it would improve greatly, and to some extent even in the distiller's cask made from fresh staves.

2964. Pure patent spirit?—Yes, the pure spirit will improve more in a sherry cask than it will in plain wood; I have samples here of both.

2965. Do you think the permit should state the source of origin of the spirit?—Yes; I have no objection to that. I do not think it would make any difference to anybody.

2966. The producer can put the sources on now if he likes?—He can; all the people who buy from a pure malt distillery know that it is pure malt distillation.

2967. Do you think it would be any advantage to have a statement on the permit, showing that it is distilled from pure malt, or from mixed grain and malt, or from maize, rye, rice, corn, or molasses and malt, or that it is distilled from maize, rye, rice, corn, or molasses and chemicals; do you consider that all those facts ought to be known to the general consumer?—It would only let the intermediate merchant know. You could not let the consumer know.

2968. You would not object to allow this statement to be put upon the permit?—It would be no good, but I would not object to having a permit put on each distillation, stating actually what the spirits were.

2969. Of course, unless there is some great advantage to the consumer or the trade, one does not want to harass the trade by compulsory permits or labels, which are unnecessary; we want your opinion upon that point?—My opinion is that it is quite unnecessary; but I see no objection whatever to it.

2970. Do you find any inconvenience from the mixture of the Customs and Excise in regard to having separate bonded warehouses?—It occurs in this way: of course, at present and for some years, they have had a committee arranging matters between Somerset House and the Custom House. The regulations are formed by this committee, so that the officers of each should read them the same way, but they do not. In one Customs warehouse you find things done which at the Excise warehouse they will not allow. You will find under the Customs certain acts which under the Excise you will find quite different; you will find the same in the Inland Revenue. What I say is, that every merchant and trader should be treated in identically the same manner, and that one man should not be allowed to do certain things which another is not allowed to do; that more unity ought to be obtained.

2971. What is your opinion of compulsory bonding?—I do not see that there is the slightest necessity for compulsory bonding, because the test of competition will get whiskies old enough for the people.

2972. Does that opinion extend to the patent-still spirit?—With regard to the grain spirit whiskey, I think it applies to every spirit, whether English or Scotch, that there is no necessity for compulsory legislation.

2973. With

Chairman—continued.

2973. With regard to German spirits and foreign spirits, you have a suspicion of them because they are made from other things besides grain?—Yes.

2974. If it were proved in evidence that in spite of their source of origin they are equally pure, or more pure, than grain spirit distilled in this country, would you consider it fair to have them kept in bond?—No, if it is going to be of no benefit.

2975. Your own whiskey, which I think you sell, you never sell new, do you?—We sell new whiskey, but it is principally to the merchants, who keep it themselves; at the distilleries we sell all the whiskey new, but it does not go into consumption, it is sent into bond.

2976. Could you give us the percentage of whiskies you have at different ages sent out by you for consumption?—The whiskey which is sent out for consumption is about 5 per cent. under two years; it is about 10 per cent. between two and four years, 20 per cent. between four and five years, 50 per cent. between five and seven years, and 15 per cent. between seven and twelve years old.

2977. The demand for old whiskey is increasing, is it not?—Very much indeed. You will get very old whiskies anywhere; there are public houses in London where they are serving whiskey from six-and-a-half up to twelve years old.

2978. You think the demand for old whiskey is sufficient to ensure the whiskey being kept, without any legislation at all?—Yes, there is no doubt about it; competition will do it.

2979. Is there more malt used in making whiskey in Scotland than in Ireland?—Yes, to a large extent.

2980. What is the proportion?—In Scotland in 1889 there were 649,115 quarters of malt used.

2981. And in Ireland?—In 1889 there were 198,749 quarters used.

2982. Are those figures taken from the official returns?—Yes, from the official returns.

2983. What are the proportions used in pot-stills in Ireland?—The proportion used in pot-stills in Ireland in 1889 was 126,329 quarters of malt.

2984. And of unmalted grain?—The unmalted grain was 182,709 quarters.

2985. Are those the figures both for whiskey distilled from malt only, and whiskey distilled from malt and grain?—This last group of figures, the Irish, is whiskey distilled in pot-stills in 1889; the 126,329 includes the malt which is used at the pure malt distilleries in Ireland.

2986. Of which there are very few?—Very few.

2987. You think the increase in value in whiskies is a sufficient inducement to whiskey distillers to keep them in bond?—It is an investment which is very much thought of and carried on to a very large extent in Scotland by gentlemen outside the trade altogether; there is a very large amount of money invested by the public; men who have money saved, instead of investing it in railways and other things, invest it in whiskey; it is a very good and safe investment indeed.

2988. Is that whiskey in bond?—Yes, whiskey in bond; say, a gentleman has 5,000 *l.* to invest, he goes to a distillery, buys 5,000 *l.* worth of whiskey, bonds it and leaves it there.

2989. How much would it increase in value?—It varies very much according to what the whiskey may be; it should always net the investor from 10 to 15 per cent. if he buys well and has a market for selling it again; of course there are some whiskeys which do not pay, sometimes you lose.

2990. They do not improve sufficiently?—No, it is a question of supply and demand to a great extent. If you buy your whiskey when the price is very low, and then there comes a very great scarcity of old whiskey, it is just the same as gold or any other commodity.

2991. All that would point to what you said before; that the interest of the trade in keeping it is quite sufficient without legislative compulsion?—Quite; first of all, the demand for old whiskey is so great, the only difficulty we have at all is the question of warehouse room.

2992. Can you give any instance in your own experience of certain brands, showing how much they increased in value by keeping?—I have known whiskey cost 4 *s.* 3*d.* per gallon new, and after eight years it was sold for 7 *s.*; that is only about 4 *d.* per gallon per annum; and another I have known cost 3 *s.* 9 *d.* when it was new, and after being left for seven years it was sold for 5 *s.* per gallon.

2993. That was only 2 *d.* per gallon per annum?—Yes.

2994. I suppose it is a question in that case of supply and demand?—The great question is supply and demand, and also what particular character of whiskey the public are running for; it is principally a question of supply and demand, because if there is a demand for a certain old whiskey, and there is very little of it in store, the price is so much better.

2995. You are clearly of opinion that patent-still spirit kept in bond is better than when it is new?—There is no doubt about it.

2996. Not necessarily involving sherry casks, or anything?—Not anything at all. If you take plain wood, or anything else, the pot-still spirit will mature in that or the sherry cask just in exactly the same proportion as the patent-still spirit would.

2997. If I took rectified spirits absolutely free from fusel oil, and put them into sherry casks, would they not improve also?—I do not know. I do not believe that it has ever been tried; but if you take pot-still whiskey made from malt, or if you take grain spirits and put them either in sherry wood, or in plain wood, they will both mature; the pot-still will mature in exactly the same proportion if you put it in a sherry cask as the grain spirit will; there is some effect which the wood with sherry in it has upon the spirit.

2998. Have you ever experimented upon drinking plain spirits as compared with whiskey?—No; but I know that if you have to examine new makes, for instance (in our sample room we have to pass the whole of the new makes of whiskey), the effect is very different from what it is if you are examining old samples.

2999. The effect upon what?—In nosing, for instance,

Chairman—continued.

instance, you generally tell by the smell, and by the bouquet that it has; you do not swallow it; but of new spirit you cannot do nearly so many samples as you can of old.

3000. The new, containing somewhat more of those oils that we call fusel oils, would give you a headache?—Yes; of the old you can, I should say, do nearly double. I have samples here of grain spirit, both perfectly new and of 1882, in sherry and in plain wood.

3001. Do you think that there is no fusel oil in pure malt whiskey?—I do not think that of the trade article, known as fusel oil, there is any in pure malt whiskey; it has never been taken from it. The article known as commercial fusel oil has never been taken from a malt whiskey; there may be a trace of it. No doubt there are ethers and oils there, but that we say is the thing that gives the flavour.

3002. Do you mean to say that there is no amylic alcohol in it at all?—It has never been separated or taken from it, and my impression is that if those oils were taken out, which Dr. Bell puts down as fusel oil, you would find it quite different from the commercial article.

3003. Mr. Ross showed the Committee some oil extracted from pure malt whiskies, which seemed to have entirely different characters from the ordinary fusel oil?—I think it would be entirely different, but fusel oil has never been taken from pure malt whiskey.

3004. Have you a model of a pot-still here?—I have. (*The same was exhibited.*)

3005. You put in the wort?—Yes, you put in the wort here (*pointing to the model*). In this still there is a cold water jacket for condensing, constantly ascending as the vapour rises, constantly sending it back into the still, so that it gets reboiled, and then it comes back through the worm.

3006. What has been called fusel oil in whiskies I suppose you would not consider impurities at all, but important parts of the whiskey?—That is the thing that gives the whiskey the flavour.

3007. And the pot-still works that oil over and over again until it is thoroughly incorporated with the spirit?—That is so.

3008. It is different from the patent-still in that respect which tries to separate this oil, whilst you try to work it up and incorporate it in the spirit?—The oils will rise up, and come over with the spirit, but I think that part of what is taken away in the patent-still is taken away in the fore-shot.

3009. Where do your products come out first?—They come out as fore-shot, and then when the fore-shot is clearing off the spirits are tested with equal quantities of water; then when perfectly clear and bright they are declared pure, and then it is whiskey.

3010. It is all worked up over and over again in that way?—Yes.

3011. And you think it is the incorporated oils, whatever you call them; the oily or other bodies which give peculiar characters to whiskey?—Yes, I do think that if you took them away you would not have whiskey at all; you would not have the flavour and the bouquet.

Chairman—continued.

3012. In fact, the one great difference between the patent-still and your whiskey is that you have the whole quantity of wash at one time under the operation of your still, whereas in the patent-still you have small portions dropping from one plate to another?—Yes; if you take as an instance a patent and a pot-still which will each work 5,000 gallons of wash, in the patent-still the time taken to deprive a gallon of wash of its spirit and low wines would be the 5,000th part of an hour, or ·72 of a second.

3013. How do you estimate that?—There are 5,000 gallons, and it takes an hour to boil, or ·72 of a second per gallon, while in the pot-still it is easily seen that each individual gallon of wash is not entirely deprived of its spirit until the temperature has reached the boiling point of water, which we have assumed would be in an hour's time; so that the gallon in the pot-still would be one hour, and the gallon in the patent still would be ·72 of a second.

3014. However, there is a great economy of heat in the one case as compared with the other?—Yes, there is great economy of heat, but the same amount is required in both cases.

3015. But the same amount of fuel is not used?—No, because the patent still uses steam; as a question of economy the patent still is the cheapest.

3016. The vapours arising in the still, whatever they consist of, have very various boiling points, do they not?—Yes.

3017. What are they?—Ethylic alcohol for one.

3018. That boils at 172 degrees?—Yes.

3019. The acetic ether?—At 165.

3020. And the amylic alcohol?—At 266.

3021. You think those bodies have a great affinity for each other?—I believe they have.

3022. Why do you think so?—Because they invariably go over together.

3023. Are you right in saying, as you do in your proof, that "consequently the vapours from the patent still must have more fusel oil than the vapour from a pot-still;" is it not the reverse that the alcoholic vapour rises and then condenses the strong spirit out of the patent still with very little amylic alcohol?—No; but the question is that in the patent still, if he was distilling at a low strength, he would have more, but if he is running the spirit which his still allows him to do he may have less.

3024. Certainly, because if he is running at a low strength the vapour of the water is carrying over the amylic alcohol, but if he is doing it at a high strength, the ethylic alcohol carries over very little?—Yes.

3025. Your general view is, I think, that whiskey depends for its flavour upon a substance which comes over in distillation, and that that distinguishes what is called whiskey from patent spirit, which, although made from the same materials, does not contain these oils?—That is so. I will now beg leave to show the samples I have brought. (*The same were exhibited.*)

3026. You

Sir *Edward Harland.*

3026. You lay great stress upon the maturing of whiskey in wood?—Yes.

3027. First, as regards the old sherry cask, that is to say a sherry cask which had sherry in it for a considerable time, the sherry itself had matured in that cask?—Yes.

3028. Then another description of old sherry cask, I presume, would be one which had been used several times over with whiskey in it?—What we call a second or third fill.

3029. Did you find that the improvements were greater in the cask which had been filled two or three times with whiskey, or with one that had never had any whiskey in before?—The one which had never had any whiskey in before. I took a sherry cask which had had sherry in it for some years, and another which had been filled twice with whiskey, so as to have all the sherry taken out of it, and I put into that cask as much sherry as I could guess the previous cask had absorbed, then I put the whiskey into it; the effect I find is much greater with the actual sherry cask in ageing the whiskey; it makes it better and finer than the one the sherry had been put to.

3030. Do you speak of the sherry as flavouring the whiskey?—No, I speak of the mellowness of the flavour.

3031. Then you were speaking of whiskey being put into brand new wood?—Yes, of whiskey put into brand new wood.

3032. What description of wood is it?—Various kinds; oak and different woods are used for whiskey casks.

3033. Do you know that different woods are used for casks?—Yes.

3034. Is it not almost invariably, if not invariably, American elm or American oak?—I do not know that.

3035. You do not know, therefore, what the wood of the foreign sherry casks is?—No; not what the wood is.

3036. Therefore, from that circumstance you are not able to reason that the effect of that particular flavouring would be produced by the acid of the wood?—No, but there is something in this, that the wood has absorbed something from the sherry; there is no doubt some process goes on; what it is we do not know.

Mr. *Somervell.*

3037. Have you ever tried ageing the new grain in the old malt whiskey casks?—I never compared it.

3038. All Scotch whiskey is bonded at 11 overproof?—Yes.

3039. What strength are the spirits distilled at?—From 14 to 17, and then they are brought down to 11 overproof.

3040. You try and bring them off from the still as near as possible to that?—No; the still is genrally running from 14 to 17 over.

Mr. *Somervell*—continued.

3041. We have been told that in Ireland they bring it out at 45?—Yes, and then they reduce it to 25 overproof.

3042. Do you define blending as the mixture of various sorts of malt whiskey, or is it a mixture of malt whiskey with grain?—I call them both blending; the blending of pure malts by themselves from different districts would be blending, and so would the adding of grain.

3043. If you were to put 10 gallons of malt and 100 gallons of patent-still spirit together, would you call that a fraud upon the public if it were sold as malt whiskey?—I think I would, but if it were the other way about, I would not. If there is a very large proportion more of the grain spirit, I would consider that should not be sold as malt whiskey.

3044. There is a great deal of blending done in bond of malt whiskies and patent-still whiskies?—Yes, it is all done in bond.

3045. You say you would consider it a fraud if 10 gallons of malt were mixed with 100 gallons of patent still and sold as malt whiskey; if the Excise and Customs could give us a return showing the various proportions of blending, that would be a valuable return?—A very valuable return.

3046. You consider that it is a fraud upon the public if a very small proportion of malt is mixed with a large proportion of grain, and that is sold as malt whiskey?—Yes; I do not think it is right that there should be 100 to 10.

3047. The public should be protected against that?—Yes.

Chairman.

3048. Would you go further and give the proportions in every case, stating whether the mixture was one in 15, or 20, or 30, or 40; do you think it should be stated in every case?—No, I do not think it could be stated; you could get it at the time of blending, but you could not carry it on to every bottle that has been bottled from it.

Mr. *Somervell.*

3049. You think the public are entitled to be protected, do you not?—No; I think that the public are quite capable of looking after themselves. The man who sells the best whiskey in London does the largest trade in it; people will not drink it unless it is good.

3050. You said that fusel oil is taken from the grain?—It is taken from the patent-still.

3051. And there has been no instance of fusel oil being taken from the pot-still malt whiskey?—I do not know that it has ever been obtained.

3052. No fusel oil of commerce, as far as you are aware, has been taken from the pot-still whiskey?—It has never been obtained from the pot-still.

Mr. Percy Bence Trower, called in; and Examined.

Chairman.

3053. You represent the Committee of the Wine and Spirit Association, and were once chairman of the association?—Yes, I was.

3054. What does the association consist of?—Wholesale wine and spirit merchants, shippers, brokers, agents, anybody who is connected with the wholesale wine and spirit trade.

3055. You wish to put in as evidence a letter which was written to me by the association?—I do, enclosing a copy of one which was written to the Surveyor General of Customs in consequence of certain questions that were sent round to the trade generally last summer, I think it was, a copy of which was enclosed to you.

3056. What was the purport of your letter?—Suggesting that no alteration should be made in the present regulations as we saw great difficulty in carrying them out satisfactorily for all classes of spirits.

[*The letter was read as follows:*—]

"Wine and Spirit Association,
"17, Harp-lane, London, E.C.
"11th June 1890.

"To the Surveyor General of H.M. Customs.

"Gentlemen,—Mr. Henry Urquhart having communicated to the committee of this association your desire to obtain from them an expression of opinion on the question of the 'retention in bond of new spirits,' I am directed to inform you that the matter was thoroughly considered by the Committee in 1879, and again in 1882, when the late Mr. O'Sullivan's Bill 'for the Improvement of the Quality of Spirits before being allowed out of Bond for Consumption' was introduced in Parliament, and it was then agreed that the conflicting interests involved rendered such a Bill undesirable.

"There appear to be insurmountable difficulties in framing any measure which would absolutely, and with impossibility of evasion, prevent immature spirits of any one description finding their way into consumption, without at the same time placing restrictions upon others, the retention of which in bond would be a serious hindrance to the trade, whilst affording no advantage to the consumer.

"Without replying categorically to your questions, therefore, the committee desire me to say that in their opinion it would be better not to interfere with existing regulations.

"I have the honour to be,
"Gentlemen,
"Your most obedient Servant,
"(signed) *L. M. Marescaux,*
"Secretary.

"True copy,
"L. M. Marescaux, Secretary,
"Wine and Spirit Association,
"3rd March 1891."

"Wine and Spirit Association,
"17, Harp-lane, London, E.C.
"9th February 1891.

"To the Right Honourable Sir Lyon Playfair, M.P., Chairman of the Select Committee on the Retention in Bond of New Spirits, House of Commons.

Chairman—continued.

"Sir,—Under instructions from the chairman and members of the committee of this association, I have the honour to enclose for your information a copy of the association's letter, dated 11th June 1890, to the Surveyors General of H.M. Customs on the subject of the retention in bond of certain classes of British and foreign spirits.

"You will see that, for reasons stated, the committee of the association are of opinion that it is not desirable to interfere with existing regulations.

"I have the honour to be, Sir,
"Your most obedient servant,
(signed) "*L. M. Marescaux,*
"Secretary."

3057. In what do your difficulties consist?—The difficulty we foresee is in applying a compulsory bonding to all spirits with fairness.

3058. For instance, in applying a restriction to one class of spirits which does not apply to others?—It seems to us unfair to apply a restriction to one class of spirits which does not apply to another.

3059. Would it be unfair to apply compulsory bonding to spirits intended for rectification?—We see no use in it, and we do not think it fair or necessary.

3060. Would it be fair to apply it to foreign spirits such as brandies, which come over and which are intrinsically quite fit for consumption, having been matured on the other side?—It would be perfectly unfair to confine them for 12 months, they having been already matured on the other side.

3061. Would it be difficult to obtain certificates of maturity and of age before they were admitted into this country?—I should think it would be difficult. I do not know what the French regulations may be upon that point.

3062. Now, with regard to rum; does the same remark apply to rum?—The difficulty as to rum is that there is not sufficient stock to carry on; at the present moment we have only barely fifteen weeks' consumption of rum in the docks for consumption in London.

3063. If you were to apply twelve months compulsory bonding it would inconvenience the trade?—It would stop the trade entirely.

3064. Is it the fact that a good deal of Hamburg rum comes over to this country?—A certain quantity comes; I do not know what quantity, but a certain quantity of Hamburg rum comes.

3065. Is it sufficient to interfere seriously with the trade in Old Jamaica?—No; I should think it did not interfere with the trade in Old Jamaica; it interferes with the trade in the cheaper qualities of vatted rums which come from the East and West Indies, which are used for the commoner qualities of rum; it would not interfere so much with the Jamaica.

3066. Is it not the fact that patent spirits, flavoured in a certain way, do come from Germany under the name of rum?—They do come through the Customs as rum, so we are bound to accept

Chairman—continued.

accept them. I believe that they do contain an admixture of rum.

3067. Do you believe they get into the trade and are sold as rum?—Yes, no doubt they are.

3068. To a considerable extent; I should not like to say, but to a certain extent.

3069. Will not the want of warehouse accommodation be one of the difficulties which you as traders would experience?—Certainly in the matter of whiskies.

3070. Not so much in the matter of foreign spirit?—Not so much in the matter of foreign spirit.

Mr. *Somerwell.*

3071. Do you make any recommendation in regard to rum; do you suggest that what is called Hamburg rum should be branded as "mixed spirits," or anything of that kind?—The difficulty is that now the duties are assimilated; formerly it was a differential duty; the British spirit paid 10 *s.*. the colonial rum 10 *s.* 2 *d.*, and rum coming from the country not of production paid 10 *s.* 5 *d.*; you could not blend the two together. Now the duties are assimilated, the colonial and foreign paying 10 *s.* 10 *d.*

Mr. *Somervell*—continued.

3072. The colonial pays the full differential duty?—Yes.

3073. And that is rather a grievance, is it not, to the colonies?—I should think it was.

3074. Hamburg rum is a silent spirit, is it not, either flavoured with rum essence, or into which a very small proportion of strong rum has been put in to give it a flavour?—I have heard so; I have no practical knowledge.

3075. Do not you think that is a fraud which should be prevented, and that it should not be sold as rum in this country?—I think it should be prevented.

3076. That should be done by the Customs marking it as mixed spirit?—There is a difference in the marking; if it is vatted with colonial, it is marked "European and Colonial."

3077. You do not think that it should be deprived of the name of rum, and given some other name?—Yes; it might be called "mixed spirits."

3078. So that you would apply the Merchandise Marks Act to the rum?—Yes.

3079. There would be no difficulty in doing that?—I fancy that the Customs could arrange that very simply.

Tuesday, 10th March 1891.

MEMBERS PRESENT:

Mr. Boord.
Sir Edward Harland.
Colonel Hill.
Mr. Jackson.
Mr. M'Ewan.
Sir Lyon Playfair.
Mr. Somervell.

THE RIGHT HONOURABLE SIR LYON PLAYFAIR, IN THE CHAIR.

The Reverend HENRY BRYAN CARTER, D.D., called in; and Examined.

Chairman.

3080. YOU are a Doctor of Divinity, are you not?—Yes.

3081. What position do you hold in Ireland?—Rector of the parish of Derryloran, Cookstown.

3082. You are the Protestant rector of that parish?—Yes.

3083. Have you been there for a considerable time?—For about 10 years.

3084. Then you know the district both in and around your own parish?—Intimately.

3085. Has the practice of ether drinking prevailed there for some time?—I should say for about 30 years; it seems to have commenced about 30 years ago.

3086. And has it grown or diminished lately?—It has fluctuated a good deal, and sometimes changed ground, but on the whole I believe that latterly it has increased in certain districts.

3087. What is the population in Tyrone over which the area in which it is prevalent extends?—I have never calculated that; I could only give it in a rough way, and I would not quite attempt even that, because it is in different counties and in different districts; but I can give the area.

3088. Will you give us the area?—Drawing a rough line from the north shore of Lough Neagh, and then going on to Maghera, then from Maghera to Omagh, and from Omagh to Pomeroy, the area in a rough way might be said to be 40 square miles.

3089. That is an area in which ether drinking is a custom which is really prevalent?—Very prevalent.

3090. Is ether preferred by the ether drinkers to whiskey?—It is, as being greatly cheaper and more effective.

3091. In what way do they take the ether?—They first take a small quantity of water; then afterwards they take the modicum of ether, holding their nose, and then they drink water after that; otherwise the suffocating effluvia would be too much for them.

3092. Then they do not take it by inhalation?—No, not at all.

3093. But by actual drinking?—By drinking.

3094. I suppose you are aware that ether is not soluble in water, and that, therefore, it can scarcely be called a beverage?—No, it is not a beverage. The great evil of it, in my opinion, is that it is taken purely for purposes of intoxication; not for health, or strength, or refreshment, but purely for intoxication.

3095. What are the effects of ether drinking upon say an individual who is accustomed to it; how does it affect him?—Do you mean immediately?

3096. Immediately and subsequently?—The immediate effect is intoxication, and sometimes intoxication of a very, very violent character; and the after effects are effects much affecting the brain; and we have consequently in that district a very large proportion of insane people, larger than elsewhere; and there are other demoralising effects; I mean that, perhaps more than alcohol, it weakens a man's power of discerning between right and wrong.

Chairman—continued.

3097. In the first instance the effect is exhilaration as in the case of alcohol?—Yes; it exhilirates for a very short time and then overpowers.

3098. Do you mean that ether-drinkers become insensible?—They become insensible if a large dose is taken.

3099. But supposing they take a small dose, does that produce any riotous consequences?—Not, I should say, a very small dose; but speaking of the ordinary dose which they take, which is about twopenny worth, and which is nearly half a glass, intoxication is produced by that almost immediately, except on those who are greatly accustomed to drink it.

3100. Does it produce combative instincts?—It does; it produces both combative instincts and a high state of exhiliration, shouting and singing, and very often in that country provocative words and things that lead to outrage and strife.

3101. In the case of the drunkenness which comes ultimately from an overdose, does that go into the stage of what is known as dead drunkenness or coma?—I have had not much experience of that; I should not like to answer that, except to state what I have heard, and doctors have told me that it does produce a very serious and deadly stupor when an overdose of it is taken; so much so that people having taken doses of it die on the roadside and are frozen by exposure.

3102. Is it not the case that with regard to the drinker of ether and the drinker of alcohol, in the race for intoxication the ether drinker outruns the alcohol drinker very fast?—He does; ether is a great deal cheaper than alcohol.

3103. And much quicker in action?—And much quicker in action.

3104. Is it the case that the ether drinkers are apt to repeat the dose more than once in the day?—I know a great many instances of men who come into my market town, and who make themselves drunk the whole day for sixpence. They take a dose at 10 o'clock, and another, perhaps, at 1, and another, perhaps, at 4, twopennyworth each time, and that keeps them in a state of intoxication the whole day.

3105. In the case of alcohol, did you ever know a man that was drunk more than twice a day?—No, I do not think I did; once generally settles him, I think; once is enough for him.

3106. But in the case of ether, it is a repetition of drunkenness when a man is in the habit of it, and if he has money?—Yes.

3107. What are the evil results which you have seen, as rector of the parish, in regard to ether

Chairman—continued.

ether drinkers?—I have seen a great deal, first, of physical hurt and injury. In the workhouse, of which I am chaplain, I have seen people brought in almost burnt to death. I have seen a child brought in which had been burnt to death in its mother's arms.

3108. From ether taking fire?—There are a number of wretched beggar women who carry about this ether in their pockets for sale, and selling it to the people through the country. They receive eggs and small matters that are stolen; and so there is a demoralization caused by that hawking trade which is carried on; and then these people sometimes pass fires, and are in houses where fire gets at the ether; the ether then blows up, and some dreadful things have occurred from that. There have been a very large number of cases of that sort.

3109. And you think, from your experience, that it also produces demoralisation of the individual?—I do. I think that it produces very great demoralization of the individual, and demoralisation of the country where it is sold. This small traffic is exceedingly injurious to the honesty of the people, because the women and children, and even quite little children, get this ether. The grocers in the small places, for instance, in Draperstown, will pay a little child for running a message by giving it a dose of ether.

3110. Are not the little children repelled by the unpleasantness of taking it?—I suppose they are so accustomed to it that they are not. They come to school smelling of it. The Archdeacon of Derry told me that frequently they come to his school smelling of ether, and when he inquires he finds that is how they got it.

3111. In passing through the market on market day, do you distinguish the smell of ether?—Most distinctly, and very disgustingly.

3112. From the persons who had taken it?—From the persons, and also from the shops where it is sold.

3113. Then in your own particular district it is not a rarity but is a common practice?—Quite a common practice.

3114. What kind of shops sell it?—Grocers' shops, and, until lately, chemists in the town sold it; but lately, from fear of the new provisions of the Poisons Act, the chemists have ceased to sell it. It is sold in common grocers' shops in wayside little grocers' shops, and, as I have already said, it is sold by hawkers through the country, who I think do the greatest harm.

3115. In an article before me this is given as your view; I suppose it refers to you, because it says: "According to the public testimony of the rector of Cookstown (population over 13,000) in Tyrone;" that refers to you?—Yes.

3116. "In addition to a large quantity conveyed secretly by rail or by private conveyance, more than two tons of ether are openly carried every year on the railway into that district. The reverend gentleman knew two small villages in which each of two persons sold more than 500 gallons yearly. The ether is given to school children and messengers by traders, and in some cases causes the larger part of the Sunday drunkenness. One trader buys in quantities of 50 gallons at a time. A wholesale dealer informed Mr. Hart that he distributed to the ether-drinking district more than a ton of the drug in the course of the year." I think that goes away from you there, but up to

Chairman—continued.

the words "50 gallons at a time" that passage which I have quoted contains your view?—That is quite correct. I have in my hand a return from the Northern Counties Railway Company, the only railway company that would furnish me with a return, and I believe the other railway companies could furnish me with returns if they liked, but the Northern Counties Railway Company furnished me with a statement of what they convey in one half year, and the aggregate would be four tons a year; and I should say that for the Lake district, the district of Lough Neagh, it is greatly conveyed by carts from Belfast, and sometimes by boat across the lake; and it is further secretly conveyed without the railway company knowing of it, because it is an explosive, and has to be paid for at higher rates, and consequently it is concealed in packages and cases.

3117. Do you think that all that quantity of ether which comes into your district in one way or another is used for purposes of intoxication?—I am quite sure of it. There might be a very small portion of rectified ether employed by the few photographers that are in the district, but all the rest of it goes, I am quite certain, simply for intoxication.

3118. Have you any large hospital in your district?—We have a workhouse hospital, which takes in a very considerable area of that district.

3119. Do you know whether they use chloroform or ether there as an anæsthetic?—To the best of my belief they use chloroform.

3120. They generally do in this country, but in America they always use ether?—I think they use chloroform in our case.

3121. Have you any suggestion to make as to the manner in which this practice of ether drinking may be stopped?—Yes. May I say something about the way that the Poisons Act is working?

3122. Yes, certainly?—Lately, by an order of the Lord Lieutenant of Ireland, ether was put under the Poisons Act, and it was supposed by some that that would have the effect of stopping the sale; but, unfortunately, it has been found that in the Poisons Act there is a provision to this effect: that if a man states that he is preparing to be a chemist, and to pass an examination, in the meanwhile, he can go on selling the ether; and consequently the police could not institute proceedings now with any hope of getting a conviction, even if they had a sample or a case, because the culprit would immediately say that he was going to qualify as a chemist; that is one side of it; and the other is this: the police, who have been very attentive in helping me in my district, tell me that they cannot get a case except in a very rare instance, because no man will go into the place and will then come out and say that he got the ether; and then the police have no power of search, and my suggestion would be that, in addition to putting it under the Poisons Act and the restrictions of the Poisons Act, the police or the excise should be given a power of search, and that any man found having in his possession a larger quantity than that regulated by law should be punished severely.

3123. I do not know whether you have paid attention to the subject, but is not ether made from methylated spirits chiefly?—It is.

3124. And is not that a fraud upon the excise?—I may answer you by saying that I had an interview very lately with an officer of the Inland

Chairman—continued.

Revenue, an inspector, a Mr. Clark, and his letter written lately to me shows that he had extreme difficulty in connecting methylated spirits with ether; and I believe myself that the ether which they sell is not the rectified ether, but some very foul composition; I am not chemist enough to enter into that.

3125. But probably you know that the Legislature gave a drawback for methylated spirit, so that it pays no duty on account of its importance in the arts?—Yes.

3126. Now if ether is made from that methylated spirit the purposes of the Legislature are defeated by its not being used for the arts, but for the purposes of intoxication, and any substance for the purposes of intoxication made from alcohol is a taxable commodity?—Quite so; but I think that that gentleman whom you speak of, Mr. Clark, failed to connect the thing sold with methylated spirits; methylated spirits is sold and bought elsewhere purely, I believe in Ballymena; but I think it is some species of raw ether that is sold in Cookstown and Draperstown, and that area which I am referring to.

3127. But it must be made primarily from alcohol; there is no other way of making it?—I am not aware; I am not chemist enough to know.

3128. Then your suggestion is that increased power should be given to the police and to the excise to detect the sale of ether under the Poisons Act?—Yes; and I should strongly suggest the power of search, because it is a dangerous thing; it should be searched for as an explosive; it is an extremely dangerous thing, and it can be easily concealed, and there is no way that I know of following up the sellers except by searching their houses.

3129. Do you desire to put in a statement of the clergymen and magistrates and the doctors of your district?—I should wish to do so very much. I have for many years been interested about the stoppage of this custom, and I have accumulated a considerable number of important letters, and I should wish very much to be allowed to put them in. (*The Witness produced a bundle of letters.*)

3130. You have not got them in a collected form?—No, I have not got them in a collected form, but as they were written by the different gentlemen.

3131. It would take too long for us, I am afraid, to hear them all?—There they are (*pointing to them*). There is a considerable number of them; I should be happy to give a précis.

3132. Will you give a précis of the information you have obtained and put it in as evidence obtained from competent authorities in your district?—I will, with great pleasure.

Précis of Information supplied to the Rev. H. B. Carter, D.D., Rector of Derrloran, Cookstown, County Tyrone, by Magistrates, Clergymen, and Doctors residing within the "Ether" drinking area.

C. W. Dysart, J.P., Harcourt House, Bridlington, who resides occasionally at Draperstown, County Derry, and is J.P. for the county:—"Ether is extensively sold in this district by small grocers; its effects, especially upon young people, exceedingly bad."

Dr. Hegarty, Medical Officer, Draperstown, mentions prevalence of ether drinking, and gives case of insanity resulting in death immediately after draught; ether productive of disease, and better used by exhalation, even in cases of disease. That sale should be made illegal, except for medical and chemical purposes.

The Rev. Dr. Forde, Rector of Draperstown: "The effects of ether ruinous. Much insanity in the district attributed to the use of ether; prevents progress of morality among the people."

Chairman—continued.

Mr. John M'Clean, Clerk of Sessions, Draperstown, relates "cases of death, and fatal explosion in his district from ether; suggests its treatment as an explosive."

Mr. Reid, Poor Law Guardian, Draperstown, describes "an explosion of ether in shop of trader, causing the death of four persons, and of deaths from drinking ether bought in low grocers' shops."

Colonel Jackson Clark, Maghera, J.P., describes "increase of habit among respectable people of his district; its sale by hawkers; its evil effects; suggests, as check, that ether should not be sold by retail; cases not often brought before him of ether drunkenness.

Dr. Magowan, Medical Officer, Maghera, describes "the necessity of stamping out the pernicious and disgusting custom, and that nothing else should be aimed at."

Dr. Given, Medical Officer, Cortin, says, "Ether trade is so lucrative that persons give up service to engage in it, and a miserable death lately under his notice resulting from ether."

Dr. Bell, Medical Officer, Pomeroy, says, "Habit of ether drinking very prevalent in his district, specially in mountain parts, much drunkenness resulting. Sold in public-houses and private houses both by wholesale and retail, and had without the least trouble."

Mr. Joseph Quin, Correspondent of Tyrone county Paper gives names of six persons engaged within a small area in ether traffic in small district.

Dr. Henry, late Medical Officer, Pomeroy, "Custom prevalent for many years among males and females, in one case with fatality; suggests should be under strict supervision, and only sold by apothecaries."

Mr. T. G. Magrath, Coroner, County Tyrone, has held lately inquest on female, whose death was caused by ether; states, "that it is given to children."

Rev. H. Warren, Rector of Dungiven, County Derry, states, "Custom prevalent in Desertmartin and Tobermore; that serious and fatal accidents endangering life are caused by ether as inflammable.

The Rev. T. Fisher, Rector of Termoneeney, describes, "Maddening effects of ether and appetite for it like as for opium caused by use, and that it is openly sold in his district by publicans and others."

Mr. H. Caldwell, Medical Officer, Coleraine, County Antrim, says, "He knows practice exists about Maghera, County Derry."

Dr. McIver, Coroner, North Derry, has held inquest on male adult whose death was caused by ether, has acted at a great many cases where death resulted from use of ether and alcohol.

Dr. Burges, Medical Officer, Coagh, states belief that, "head-quarters of ether drinking is Cookstown and the adjacent districts of Lessan and Kildress, all in County Tyrone.

John S. Porter, Coroner, Omagh, gives case of death resulting from ether, and a "considerable use of it in Omagh by persons coming from the mountain districts."

L. Glasgow, National School Teacher, Killycurragh, near Cookstown, states use of ether common by labourers and small farmers in district, one death resulting (of a girl) quite lately; gives names of hawkers and petty grocers, and accounts of Sunday gatherings for ether drinking resulting in great demoralisation.

The Ven. Archdeacon of Derry, Desertmartin Rectory, describes fatal results, practice of giving ether to children, and urgent need of stringent measures for restriction.

Sir *Edward Harland.*

3133. In regard to methylated spirits, have you any knowledge of such being also taken in your district for intoxicating purposes?—No; my experience is altogether of ether, but I have heard of methylated spirit being asked for, and I have heard of it on very good authority as being sold in Ballymena; but that is outside the area which I have searched over.

Mr. *M'Ewan.*

3134. Is whiskey not used to any extent in your district?—It is very largely used, but the people who live in that area of which I have been speaking are all poor; they are a poor mountaineering class of people, and whiskey is dear for them; they can intoxicate themselves with

Mr. *M'Ewan*—continued.

with ether for 2 *d.*; it would cost them 6 *d.* or perhaps 1 *s.* to intoxicate themselves with whiskey.

3135. So that if they could afford it they would prefer whiskey?—I do not know; I have latterly observed that respectable men who have become accustomed to ether, and could afford whiskey if they wanted whiskey, take ether in preference.

Colonel *Hill.*

3136. Have you any reason to believe that this pernicious practice extends to other districts of Ireland besides the one you refer to?—I am not perfectly sure, but I have reason to believe that it exists slightly in Fermanagh and in Monaghan.

3137. At present it is not sold openly in public-houses, but surreptitiously?—It is sold openly in the grocers' shops.

3138. Can you go into the public-houses and ask for a glass of ether and get it?—In some public-houses you would get it, because in some public-houses they sell ether and whiskey. In these grocers' shops you could ask for it, and if they were quite sure that you did not intend to go and inform the police they would give it to you.

3139. Have you noticed that the habit of drinking ether grows more rapidly than that of drinking spirits?—I believe it does.

3140. Notwithstanding the somewhat unpleasant conditions of drinking it?—I believe it does grow more rapidly on people; and I am sorry to say that in my ministrations amongst the sick I have very frequently found it growing to a frightful extent on people by whom it was originally taken, perhaps, as a sort of relief from pain.

3141. Do you think it induces a more pleasant form of intoxication than spirits?—I could not say that.

3142. You have not tried it?—No, I have never tried it; I have smelt it, and I think anybody who smells it would say that is enough.

3143. Have you noticed whether people are shorter lived who take it?—I believe they are; and I believe that a great many diseases follow the use of it. Dr. Vesey, the doctor of Magherafelt, told me that he would be very glad to have an opportunity of presenting to any Committee that was inquiring, some specimens out of his district of men whose health was utterly broken, and whose physique was completely destroyed by a short course of ether drinking.

3144. In his opinion, it produced special diseases?—Yes.

Chairman.

3145. Having reference to what you said just now, I will ask you this question: Would you think this description too highly charged:—"I have seen an ethro maniac at 41 a wizened, bent, decrepit, and tottering old man; a battered and lonely hulk, cast up on the shores of existence, a hopeless and despairing human wreck"?—I do think it is overdrawn; and may I say that, if that is from Mr. Hart's essay or lecture, there was a great deal of Mr. Hart's lecture which, I think, was highly painted.

3146. This passage is not from Mr. Hart's lecture; it is from an article in the "New Review," by Mr. Norman Kerr?—And I might say (if I am in order in doing so) that there was a thing in Mr. Hart's essay which I should like

Chairman—continued.

very much to have the power of correcting, and I think it is only fair that it should be corrected. The Roman Catholic priests throughout the whole district have done their very utmost to suppress the practice; they have not succeeded, and it is not the fact, I am sorry to say (and yet at the same time I am glad to say it) that the Roman Catholics are the only users of ether as Dr. Hart stated; there are, I am sorry to say, a great many other classes and a great many other religious bodies who use ether as well as the Roman Catholics.

3147. I am glad you have mentioned that because I intended to have asked you the question: ministers of all persuasions have worked hard to try and repress this practice in your district?—We have; and I think that perhaps the reason why the Roman Catholic priests greatly failed was that the clergymen interdicted the sellers and not the drinkers.

3148. You said that that account which I quoted of the effect upon the physical condition was overstated; would you agree with this description as given in the article in the "New Review," of the effect upon the morale of the individual: "Fascinated by the initial lightsome joyousness of his first draught the subject of the inebriate predisposition gradually but insensibly yields again, and yet again, to the false allurements of the potent enchanter till the erewhile servant of a second becomes the tyrant of a lifetime. The miserable ether sot, whatever his previous accomplishments and station, is bound hand and foot in the iron fetters of a slavery the most degraded on earth, a bondage without one redeeming feature to lighten its awesome darkness. The ether inebriate with a morbid and ever-growing craving for larger doses of the deadly drug which he hates but must devour, sinks into a loathsomeness of falsehood, deceit and cunning"?—That is very highly drawn. There may be one case that is like that, but it is by no means the case generally. The people who use ether are people who probably have been working hard all the week, as farmers and country mountaineers do, and come in and take their belly full of ether; and it is used surreptitiously here and there and produces very bad results; but as to anything widespread of that character it is not the case.

3149. But women as well as children take it?—Yes, women and children.

3150. Does ether drinking grow amongst women, do you think?—I think it does; and I think that the hawkers whom I referred to have produced an immense amount of harm and ill by carrying it to farm-houses where the housewife can get it by the sale of some little household article, and where children can get it for eggs and trifles of that sort.

3151. Do you not think that the injury to the morale which you said did exist may partly arise from the fact of its quickness of effect and the woman or the child being able to conceal it from their family, and so come back without any suspicion that they have been intoxicated?—No, I should think that it is nearly impossible to conceal it; you will smell them half-a-mile away if they have been taking it; it is nearly impossible, I should say, to conceal it. I think it is the cheapness and the ease with which it can be brought to the very door that does the harm.

Mr. William Wilkinson, called in; and Examined.

Chairman.

3152. What do you represent here?—I am the Secretary of the Irish Temperance League, and we have devoted considerable attention to this matter of ether drinking and also methylated spirit; and I have special knowledge of the ether question, as I spent my boyhood in the centre of this district, and have visited the district continuously ever since, and have spent holidays there, and also gone to see my friends; and for many years I have been asking about it and inquiring about it from farm servants and shopkeepers and doctors and people generally who would be likely to know something about it.

3153. May I ask have you any profession; are you a medical man yourself?—No, I am not a medical man; I have had considerable correspondence with medical men.

3154. What are the channels through which ether finds its way to the consumers?—They are various. In the first place it is obtained by pretty large druggists and chemists in Cookstown, Magherafelt and Maghera; those are the principal towns. Then they supply it to small shopkeepers all over the country, and also to cottagers, who retail it out again; and these smaller shopkeepers supply the hawkers whom Dr. Carter has spoken of. So that it goes through a good many channels before it really reaches the consumers. But it is very largely supplied on draught, or was, by the chemists, and also by a certain class of medical men who have not got very much practice, and who have connived at the habit by giving it in some cases, adding a little spirits of nitre as a pick-me-up. The worst channels, I think, the channels that have the most demoralising effect are the hawkers; and the village of Tobermore I think, perhaps, is about the worst in respect of cottagers selling it; there a man and woman would keep a couple of pigs and sell ether; the people brought in potatoes and meal and in return for that they get ether; and I have known of men being away at their work and coming home at night to find that all the meal and potatoes in the house had disappeared; of course it had been going on for some time, and that there was no money or anything else because it had all gone for ether; and the result of that, and also of sending the children, as Dr. Carter mentioned, for it, was that some schoolmasters told me that they could distinctly smell the ether on the breath of the children when they came to school; that is children, say, from 10 to 14.

3155. Is that which is in the bottle in your hand some of the ether of the district?—Yes; that was bought in Tobermore on the 8th of January, eight days after the declaring of it as a poison. It is pretty strong (*producing the bottle*); it was just bought in one of the ordinary shops. (*The bottle was handed to the Chairman.*)

3156. That is very good ether; there is no mixture of anything but ether there?—That was bought in a very small shop in Tobermore on the 8th of January.

3157. Was it bought openly?—There is no harm in saying that it was bought by the head of the police.

Chairman—continued.

3158. But in a druggist's shop?—Oh, no; in an ordinary small grocer's shop. He did not know it was for me; it was through a medical man that I obtained it; but the policeman afterwards told me that it was he who bought it; it was quite openly done; they had no fear whatever of the police in the matter.

3159. What amount do they usually take?—A pennyworth.

Mr. *Jackson.*

3160. How much did this cost (*pointing to the bottle*)?—I do not know.

Chairman.

3161. It would cost sixpence perhaps?—I think something about that, but the doctor did not tell me the expense of it. One reason, I think, why it has been so largely used as an intoxicant, in the first instance, is that you could get a penny draught of it; an ordinary draught that a person takes only costs a penny.

3162. I should like this examined to see whether it contains free alcohol or any trace of methylated alcohol?—It is at your disposal.

Mr. *M'Ewan.*

3163. How much is a pennyworth, a draught as you call it; a teaspoonful?—A little more than that. It is what it is possible to swallow at one gulp. I was going to say it is what it is possible to swallow comfortably, but it cannot be done comfortably at all. Perhaps a dessert spoonful would be really about the quantity.

Chairman.

3164. You used the expression that not only ether but methylated alcohol was employed for purposes of intoxication?—That is in a separate district, Ballymena.

3165. Have you any knowledge that the ether is made from methylated alcohol?—No practical knowledge, unless in the shape of information derived from wholesale men.

3166. But are you aware that in the Ballymena district it is alleged that methylated alcohol is taken as an intoxicant?—Yes, and I know it as a fact from inquiry in the district; and I have obtained information that three chemists and druggists in Ballymena sold, during the last year, nearly 600 gallons.

3167. As an intoxicant?—Well, practically it must have been as an intoxicant to supply that district.

3168. But you know that methylated spirit is used in the arts for varnishes and other things considerably?—Yes; but in one day a friend of mine saw five pints sold over the counter in one shop inside an hour.

3169. To the peasants of the district do you mean?—Yes, to the farmers or their servants coming there.

3170. But are you sure that it was sold as an intoxicant; for instance, almost every house has methylated spirit for the purpose of burning it in lamps; the upper classes use methylated spirits for lamps; do not you think that that methylated spirit might have been sold for the purpose of heating

Chairman—continued.

heating water, and other purposes of that kind? —From the nature of the inhabitants of the district, from their occupation and capacity of buying, I should say that there would not be a gallon in twelve months sold for that purpose.

3171. Do you know that methylated spirit is very repulsive to drink?—Yes, I do; and those who are not quite seasoned to it get over that by adding tea and sugar. They make strong tea, add sugar to it, dilute the methylated spirit with the same quantity of water, and add it to the tea and sugar.

3172. As a member of the Temperance Society I suppose you never tried that, did you?—No.

3173. You never tried it to see whether it could be drunk in that way?—The smell of it was quite sufficient; but so late as last Saturday a medical gentleman of the district told me that he very recently had several cases of coma produced by methylated spirit, and that in one instance having to apply the stomach-pump, there was no possible mistake, as far as he was concerned, as to what had been used and had occasioned the mischief. The universal testimony of ministers of all denominations is, that the use of methylated spirit is largely on the increase. I made very close inquiries, and it may interest you to know that it started six or seven years ago. There was one man, a painter, who was not in the habit of using it as a drier, but a painter from Belfast told him it was a most excellent drier, and also that it was possible to use it as a beverage; and this man got some and tried it, and told some others. That was about seven years ago, and that was how it started in the district. At that time the consumption was mostly confined to the mountainous district, to very poor people. For 7 *d.* they can get a pint of methylated spirit, but whiskey would cost them from 2 *s.* to 2 *s.* 6 *d.* But latterly it has become more general among farm servants in the lower districts, and also amongst the farmers.

3174. Are you aware whether the Excise have made any examinations as to whether methylated spirit is used for drinking purposes?—I believe that lately there have been some inquiries made, but last year and the year before, through Members of Parliament, we got some questions asked on the subject, and the Excise officers of the district said that it was non-existent. Therefore we had made some further private representations to the Excise, which I think have resulted in the examination that is now taking place.

3175. I want to put this letter upon the evidence, and I should like to read it to you, and ask you whether it is your opinion that it gives a fair account of the use of ether in your district. It is a letter from the Inland Revenue, dated 30th of September 1890: "It has recently been brought to the notice of the Board of Inland Revenue, that in certain parts of Ulster a habit was growing up of using sulphuric ether as an intoxicant, and they directed one of their inspectors, Mr. T. Lowry, to personally investigate and report to them whether there was good ground for this supposition. From his report it appears that in the neighbourhood of Draperstown, Maghera, Magherafelt, Tubbermore, Cookstown, &c., ether is openly sold as an intoxicant, princi-

Chairman—continued.

pally by small shopkeepers, but sometimes in booths or shebeens used almost exclusively for the purpose. This Board learns from the principal of its laboratory that the intoxicating effect of a dose of ether is very transient, and that it is no uncommon occurrence for a person to be made drunk with it several times in the course of one day. The delirium is said to be sharp, the stupor for a brief period deep, and the excitement, so long as it lasts, hysterical. A large dose would therefore be likely to prove fatal, and it is believed that several deaths which have occurred are attributable to its use. Mr. Lowry reports that the clergy of all denominations are alive to the debasing effect of ether drinking and are doing what they can to suppress it. Sulphuric ether, like chloroform, is allowed by law to be prepared from methylated spirit, and at present no restrictions are imposed as to the uses to which it may when so made be applied, it being useful in certain arts and manufactures, freezing machines, &c. For strictly medical purposes it is prepared from duty-paid rectified spirit. From the inquiries made it is clear to the Board of Inland Revenue that the ether used as an intoxicant in the north of Ireland is the cheaper kind made from methylated spirit, and the Irish Government will probably agree with this Board that such use of it is a gross abuse of the privileges accorded to the arts and manufactures of the United Kingdom of using methylated spirit duty free in order to facilitate legitimate trade. Ether, it appears, is insoluble in water and when taken internally can in no sense be deemed a beverage, but is a drug possessing stimulating and highly narcotic properties, and therefore to be used with great caution. The principal of the laboratory at this office, Dr. Bell, C.B., F.R.S., has been in communication with the Pharmaceutical Society in London, with manufacturers of sulphuric ether, and with wholesale chemists, and they all concur that the use of ether as an intoxicant is dangerous to the morals and health of the people and ought to be suppressed. They also further concur that this can best be done by having ether scheduled as a poison in the same way as chloroform; the effect of scheduling ether in the list of poisons would be that its sale would be restricted to chemists and druggists under the regulations of the Pharmacy Act relating to poisons, and the Board of Inland Revenue have every reason to believe that such a course would be very popular in Ireland amongst all who have the moral and physical welfare of the people at heart; as the recommendation to schedule poisons in Ireland rests with the Royal College of Physicians, and requires the subsequent approval of the Irish Privy Council, I am directed by the Board of Inland Revenue to request that if the Irish Government approve, the necessary steps be taken to suggest to the Royal College of Physicians the necessity for at once scheduling sulphuric ether as a poison in the same way as chloroform, and that the approval of the Privy Council be obtained to such action. I am, &c. (signed) *W. B. Heberden.* To the Under Secretary, the Castle, Dublin." Is that, in your opinion, a full and a fair report as to the state of the practice?—Yes, as regards the ether.

 3176. There

Chairman—continued.

3176. There is no suspicion expressed there by the Inland Revenue that methylated spirit is used for the purposes of intoxication?—No; the attention of the authorities as regards ether was separate; I mean that the representations that were made were always kept entirely separate, and therefore the other would not, I presume, be included; but it is two years and a-half ago since I suggested to Mr. Russell and Mr. Macartney, Members of Parliament, that it should be scheduled as a poison, and that that was really the easiest way of dealing with the question.

3177. And that has been done; it has been scheduled as a poison?—That has been done.

3178. Do you think that is effective?—In the first instance it has been effective; it exhausted the stock in many of the districts; in Tobermore and Maghera there was none whatever to be had from inquiries that I made; perhaps it was owing to the activity of the police in that particular neighbourhood, but the Roman Catholic rector or administrator of the Glen Chapel near Maghera informed me that practically along the mountain side in his district there was no consumptiou of ether at present; his curate, who was present, confirmed that testimony, and also the administrator of the neighbouring parish of Swatragh; and Dr. M'Gowan of Maghera informed me that many people were coming in now to him trying to get a draught of ether, and they were having all sorts of pains, and all the rest of it, but de declined to give it. He would not give them ether; he knew that they were driven to him, because they could not get it through the ordinary channels. The police also informed me that they believed there was none to be had; and one of the most notorious hawkers of it, a woman called Biddy-the-Knack, had been to Tobermore to try and get some, and had been unable to get it. But on inquiry I find that the orders for it to the wholesale men have come in repeatedly, but the wholesale men, the majority of them at least, have declined to execute any orders for it, because I presume they do not wish to be mixed up with any prosecution that there may be in the matter, as it would be said that they enabled these people to defy the law, and therefore they will only supply in small quantities what they think will be required for legitimate purposes, and only now to registered chemists and druggists.

3179. Then, so far, you think that scheduling of it as a poison has been successful?—For the moment.

3180. And what are your reasons for fearing that it will not be successful in the future?—There are wholesale chemists and druggists who are supplying it to some people, and those who really want it, and are prepared to run the risks, will find out who will supply it, and will of course obtain supplies.

3181. Did you hear the observations which Dr. Carter made, that if a man declared that he was preparing for his examination as a chemist or druggist he had a right to keep it?—Well, I can perhaps explain that a little further. Last year there was an Act passed as a compromise between proper chemists and those who had been selling drugs, but who were not registered as chemists;

Chairman—continued.

they now have up to next July to qualify as chemists, and to be registered as chemists after that; if they have not passed the necessary examinations, they can no longer sell drugs; that is how in the meantime that has arisen.

3182. But is that only a temporary provision, and after July will nobody be allowed, except registered chemists and druggists, to sell it?—Quite so.

3183. Then that is not an evil that is likely to continue?—No, not from that point of view. That is not the Poisons Act but another Act which has that provision.

3184. The Pharmaceutical Act?—Yes, the Act which was passed through Parliament last year. But there was another point in Dr. Carter's statement which I would like very strongly to endorse, and that is that the police should have power of search, somewhat similar to that they have, or stronger, if possible, than they have, under the ordinary Licensing Acts. At present they would find very great difficulty in proving sale. The law, as it stands at present, does not prevent a doctor from administering a draught of ether, and it does not prevent the wholesale men from supplying anybody, as far as I can understand, with the ether; but the wholesale men should not be allowed to supply anyone with it but a registered chemist or druggist; and the chemists should not be allowed, I think, to sell more than the ordinary dose which is required for cattle, and that is two ounces. If it was confined to two ounces, and no more, I think that that would very largely stop any hawking, or anything of that sort.

3185. But, of course, the wholesale druggist sells ether for many purposes; he may sell it as an anæsthetic, or he may sell it for the purpose of the arts, where it is a great deal used, and you would not limit him, would you, to only selling two ounces at a time?—I would limit the retail druggist only selling two ounces at a time; but with regard to the wholesale man, of course you cannot confine him.

3186. You would limit the retail druggist in that way, except in selling to doctors; a doctor would require more than two ounces at a time?—The most of the doctors would get it from the wholesale man. But just as an indication of the decrease I may state that one wholesale man who sold 100 gallons a month last year, has only sold 10 gallons since January last; and I asked him the question: "Well, when you were selling 100 gallons a month, did you not know that it was for, I might say, illegitimate purposes, to be used as a beverage? "Yes," he said, "we took no notice of that; but the moment our attention was directed to it, and the firm took the matter into consideration, they said they would not sell to any person more than 10 gallons at a time, and they would not sell it to any one unless a proper registered chemist or druggist."

Mr. *Jackson.*

3187. Then I gather from your evidence that you think that the abuse has been practically stopped by the action which has been taken?—So far as the district that I am more particularly acquainted with is concerned, I believe it has been very largely stopped.

Colonel *Hill.*

3188. Do you know whether this ether drinking has existed in other districts of Ireland to any extent?—I have made inquiries in regard to that, and as far as I can ascertain it has not existed to any extent, unless in this one district which Dr. Carter has defined.

3189. Can you give any reason why it should be confined to that particular district?—I know a number of men were in the habit of indulging in illicit distillation in old times, as we say, and this mountainous district and the bog lands in the valley were at one time great centres of illicit distillation.

3190. Of whiskey, do you mean?—Of whiskey. Owing to the activity of the police and the opening up of the country by roads, that has practically ceased, and these poor people who had been in the habit of using the illicit whiskey found a very cheap intoxicant in the ether.

3191. But this illicit distillation took place more or less all over Ireland, did it not?—It did; but as far as my information goes, I do not know of any district where it has been so completely stamped out, and where the clergy of all denominations, including the Roman Catholic clergy, so thoroughly denounced it and united in trying to suppress it, as in this district. Then there was a habit, I know, amongst one or two medical men in the district of prescribing ether in case of pains or spasms, or things of that sort; and it gradually grew into a habit.

3192. You would not put any limit upon the

Colonel *Hill*—continued.

power of medical men to make use of ether, I suppose?—I do not see how that is possible.

3193. Do you know any moderate people who drink this as their beverage or as an exhilirating drink, as they drink wine or whiskey?—I have known pretty well-to-do farmers and their wives who have occasionally taken it.

3194. I do not mean to take it for purposes of intoxication, but to take it as they take wine or spirit?—No, not at all.

3195. Its use is confined to those who wish to use it for purposes of intoxication?—Practically, it is so.

Chairman.

3196. Have you anything you wish to add to your evidence?—In regard to the methylated spirit I wish to say that a number of gentlemen in the district urged me very much to say that something should be done in the form of compelling the druggists to keep a register of the names of the persons to whom they sell the methylated spirit. That would not cause any inconvetence to those who want it for a legitimate purpose, and on the other hand they say that a man who is going to use it for the purpose of intoxication (unless he was one of those who are entirely given over to the habit) would not tell a lie about it and have his name put down; and they say that, practically, they think that these restrictions would stop the practice if they were put in force.

The Reverend HENRY BRYAN CARTER, D.D., re-called; and further Examined.

Chairman.

3197. Do you wish to add anything to your evidence?—I should wish to say that I have listened to the evidence of the gentleman which has just been given, and I think he is in error considerably in saying that the practice has at all stopped. I know that in my town of Cookstown last Saturday the sale of ether was as brisk as ever it was, which I, myself, can testify, for I went over and over again to the shop where I know the sale was going on, and I know that it

Chairman—continued.

is going on in my immediate district, reaching up to Draperstown; whether actually in Draperstown I do not know, but I am inclined to think that this going on there still.

3198. It has not been suppressed in your opinion?—I believe it has not been suppressed, and that under the Poisons Act it cannot be suppressed, unless the Poisons Act is further strengthened.

Mr. WILLIAM WILKINSON, re-called; and further Examined.

Chairman.

3199. YOU wish to add something?—I did not, in the observation to which Dr. Carter has alluded refer to Cookstown at all; I only referred to the district that I am more immediately acquainted with, that is the angle that is formed by drawing a line from Magherfelt to Draperstown, and from Draperstown along the

Chairman—continued.

mountain side and round to Swatragh. Cookstown I do not know so much of.

3200. But if it has arisen again in Cookstown is it not likely to arise in other parts as well?—I quite agree with the doctor that it is absolutely necessary that something more should be done if the practice is to be kept down.

Mr. THOMAS MACKENZIE-LEDLIE, called in; and Examined.

Chairman.

3201. HAVE you lately made an inquiry about ether drinking in Ireland?—I have.

3202. Under what circumstances did you make that inquiry?—I heard of this ether drinking first from a gentleman, a friend of mine, and I thought I would investigate the matter myself; and I went into the different districts and made inquiries.

Chairman—continued.

3203. Do you live in Ireland?—I did at that time.

3204. And in the neighbourhood of the district where the ether drinking prevails?—No, in Dublin.

3205. Then what is your profession?—At present I am a journalist.

3206. As a journalist you examined into it?—Yes.

Chairman—continued.

3207. Did you obtain considerable information upon the subject?—I did; I worked most elaborately at it for some time, made several excursions into the district and tried as far as possible to map it out, to find out the quantities consumed, the parties who consumed it most, and also the amount consumed in each district.

3208. Did you try to find out what was the area affected by the practice?—Yes; as far as I can understand, there was about 609,000 acres covered by it.

3209. Over the district that you examined?—Yes; if we take a line from Pettigo on the borders of Lough Erne up to Lifford and Strabane, from Strabane to Dungivin, from Dungivin to Kilrea, from Kilrea along the river Bann to Lough Neagh, from Portadown to Tynan, from Tynan to Lisbellaw, and from Lisbellaw to Pettigo, it will cover the district.

3210. What class of persons, so far as your information went, are addicted to ether drinking?—In my opinion the labourers and small farming class are most addicted to it as far as I could ascertain.

3211. May I ask, did you report the results of your inquiries to any journal?—No, I have not yet done that; I have drafted it out for publication but I have not yet handed it to any journal. So far as my inquiries went, in the neighbourhood of Draperstown and Magherafelt, the female class are most addicted to it in those districts.

3212. And in other districts the males?—Yes, the males are more largely adicted to it, I think, in the other districts; still there is a great deal among the female class, especially mothers of families.

3213. Did you find any difficulty in obtaining information?—The greatest difficulty, the utmost reticence on all sides.

3214. And how did you obtain it at last?—I made inquiries from parties in the neighbourhood who I thought would be likely to tell me; from doctors in some cases, and in other cases from clergymen in the district. I endeavoured to get some traffic returns, but that was almost impossible.

3215. And do you agree with the previous witnesses as to the method in which the ether drinking is carried out?—I think there is a very elaborate process gone through in that. First of all in the parts I have seen, in all the cases, the ether drinker takes a cup of water in the first instance, and, to use a common phraseology, he rinses his mouth, that is clears his mouth; after that he takes the draught of ether, and generally he holds his nose with one hand while he drinks it; and having swallowed the ether he then takes a draught of cold water. That is to prevent vomiting occurring because ether under heat in a most expansive substance, or liquid, rather.

3216. And that prevents it passing away as vapour?—Well, it has not altogether that tendency, but it has the tendency to prevent the contents of the stomach being passed up again.

3217. Have you any information as to the quantity consumed?—Yes; as far as I could

Chairman—continued.

ascertain it might be roughly divided into three different classes. I should say first of all in regard to the younger portion of the population, that is girls from 20 to 25, they, as a rule, take about a teaspoonful, as far as I could ascertain; and full-grown women a little more; and sometimes men as much as a tablespoonful. That is as far as my observation has led me.

3218. What was the quality of the ether which you saw consumed?—Well, I must say that in the ether that I have seen there was a mixture of methylated spirit, undoubtedly.

3219. That you could smell the methylated spirit?—Yes; and you would also be able to ascertain from the taste of the ether.

3220. Can you smell methylated spirit there (*handing a bottle to the Witness: the Witness tasted it*)?—I do not think so; there might possibly be a trace, but I think that is almost pure sulphuric ether, not quite pure.

3221. But you did not find that it was pure ether always when you were making your inquiries?—No; I can only say that in very, very exceptional cases was it pure ether. In several cases (that is in the country districts) there was some peculiar mixture which I could not make anything of; there was certainly a quantity of water put in; and then you know the ether will not mix with water, and once you shake it up, it forms into small globules. There was something else put in. I could not make out exactly what it was.

3222. Did you try to get an approximate number of the persons in various districts who were ether drinkers?—Yes, I did. As far as I could ascertain (and these returns are very carefully compiled—I went over them two or three times), in Draperstown I think there are about 5,600 ether drinkers; I mean in the surrounding neighbourhood.

3223. How did you ascertain that?—I calculated it from the different numbers of families round about, and the number of drinkers there were likely to be in each, and from information supplied.

3224. But how did you ascertain that?—I took the district as far as possible, and asked the leading men (there was another gentleman with me) if they could inform us of that; and they made the suggestions to us as far as they knew.

3225. That was a mere guess; there was no certainty about it?—That is the only way you can judge. You can have not positive data.

3226. But did you try to check that estimate by the consumption of ether in the district?—That would be rather a difficult task to undertake; I did not.

3227. But would it not be necessary before you could fix the drunkenness of any particular district, so as to say how much drunkenness prevails, to check it in that way?—You can ascertain the quantity that comes into that immediate district, and then you can form a calculation, based on the probable amount of consumption per head.

3228. But I do not see that there is any certainty in taking general evidence that one or two out of a family may be drunken, unless you know

Chairman—continued.

know that they are drunken?—Unless you made a house-to-house canvas you could not make a definite calculation.

3229. An American of high position once told me that one in four of all the people in Westminster were drunken, because he went into some of the purlieus of Westminster, and counted one drunken man among every four men that he met; would you consider that, for instance, sufficient proof?—No, I would not.

3230. But would it not require some actual evidence to fix the number of drinkers in any locality?—Quite so; but then the difficulty is to get that evidence in the absence of direct evidence from a house-to-house canvas, and you might as well try any absurd thing as that you know; they will not give you the information in the district; you must absolutely force them in some cases.

3231. Did you observe in the district, by the naked eye, by actual seeing, that there were people under the influence of ether?—Yes, on fair days and market days.

3232. And you saw a good many drunk?—I have seen as many as four and five and six.

3233. At a time do you mean?—During the time, not at once; moving about through the people.

3234. Did you hear the evidence of the previous witnesses?—I did.

3235. Do you agree with them as to the manner in which the ether is obtained, I mean with regard to the persons responsible for the retailing of the ether?—I think so far as the country people are concerned, the hawkers and ragmen of the country are mainly responsible for it. Then I think those ragmen, as a rule, obtain it from the chemists. It is to be had from the publicans, and it is to be had from the grocers; I have had it myself from publicans, and I have had it from grocers; but there is very great difficulty in getting it from a publican.

3236. He does not like to sell it?—Unless you can accompany a man who has had it before.

3237. Have you any ideas to the means which lead to the perpetuation of the vice?—I think the mothers of some families are very much responsible for it; I have seen it given to young children, and I think the habit grows.

3238. I do not know whether you are aware of a practice which prevails very much in the manufacturing districts, of administering what is called quietness to the children, mixtures which are preparations of opium: do you think that mothers give ether in the same way in these districts of Ireland to make a child less fretful?—Yes; that is precisely what it is used for; what medical men describe as a carminative.

3239. That is to say, for soothing purposes, and that you think that without that intention on the part of the mothers it grows into a vice on the part of the children?—I am quite certain of that; and I also regret to say that I think the doctors of the district are perpetuating the use of it.

3240. By indiscretion or by intention, do you mean?—I think it is more indiscretion; I would

Chairman—continued.

not say intention. For instance, in the Gortin district I came across the case of a man who had been suffering from a disease of the stomach for some time, and he had been to a neighbouring doctor, and after a time he had got completely cured, and he came for the medicine regularly as usual. The doctor said he was cured, and asked him why he came for it, and he said he was rather fond of the medicine; there was something nice in it, and he would like to have it continued, and it was continued for some time. I made an examition of the prescription, and the only way in which the circumstance could be accounted for was by the quantity of ether that was in it.

3241. Have you any proposals for remedying and stamping out the practice?—Yes; I think the first and most important one of all would be the introduction of naphtha into the liquid.

3242. Into the ether sold?—Yes; for all save purely medicinal purposes.

3243. But did you hear the evidence of the last witness, who said that that had not been sufficient in the case of methylated spirit; methylated alcohol is common spirit contaminated with naphtha or wood spirit?—Yes.

3244. But he said that they had learnt how to drink that methylated spirit in spite of the naphtha?—By means of the sugar?

3245. Yes, tea and sugar; do not you think they might soon learn how to drink ether too, though it was contaminated with naphtha?—I think, even in case they did, there would be other deterrent influences, which are absent altogether from ether. If you take a man who has had a surfeit of drink over night, he has usually got a headache the next morning, lassitude, and sometimes vomiting. All these symptoms are totally absent in the case of ether.

3246. There is no headache after ether?—There is no headache from ether; there is depression to a certain extent, and after a time there is dyspepsia, but very rarely will you find the headache as far as I could ascertain; by the introduction of naphtha I think all those three symptoms, headache, lassitude, and vomiting, would probably be caused in each case, and I think that the introduction of those three deterrent influences would have an effect.

3247. But the naphtha would destroy the use of ether for medical purposes altogether?—Yes, I exempt that which is used for medicinal purposes entirely; you could not introduce naphtha into that because it would spoil the effect of the drug.

3248. But do you think, having declared, as it has been declared in Ireland, that ether is a poison for intoxicating purposes, it would be well to admit its drinkable qualities by putting in naphtha?—So long as the people continue to use it, I think that that is one of the means by which we should put an end to it; but then the cheapness of the drug is another matter which should be dealt with. I understand that under the Act of, I think it is the 18th and 19th Victoria, a tax upon this drug was then removed. If that is so, I think it should be reimposed; if not I think the drug should be taxed, and very heavily

Chairman—continued.

taxed. It would make it more dear for medicinal purposes, but that would be all; I think there should be a heavy tax put upon it.

3249. Upon ether?—Yes.

3250. But if ether is made legitimately from taxed alcohol by the action of sulphuric acid, which is the mode in which they do make it, that would be taxing the alcohol twice?—That may be, but you must only increase the price at which they can buy it if you want to have any effect on them at all. That is true that it would be a double tax.

3251. It would be a double tax, and also where ether is used for the purposes of the arts it would be a tax upon its use in the arts?—Yes, that is so; but not to such an extent as to be a reason against doing it. I think that in a grave case of this kind some drastic remedies must be taken.

3252. The area is still very small in which this ether drinking prevails?—Well, I think you know there are isolated cases on the borders that may make it a pretty considerable area, but it is a circumscribed area, so to speak, up to the present.

3253. Would it be fair to tax the whole community of the United Kingdom for the sake of restricting the practice that at present prevails in a very limited area?—Certainly not, I would say.

3254. Have you any other observations that you would like to make upon the subject?—No, I do not think that I have anything else to say except that with reference to what the reverend gentleman said about the practice, I may remark that I do not think that it is at all on the decline; I quite agree with him in that respect; I think it is on the increase.

Mr. *Boord.*

3255. May I ask what induced you to make this investigation?—It was for my professional purposes largely that I made it.

3256. You were not employed by any association, temperance or otherwise, to make it?—No, I was not.

3257. Have you seen ether consumed in the way you described to us?—Yes, I have.

3258. Have you observed the effects?—Yes, I have.

3259. And how long does it take to operate?—I think, until the ether is thoroughly gone, it is about from 20 minutes to half-an-hour.

3260. And how long would its effects last?—That depends upon the quantity taken.

3261. Say a full dose?—I should say half-an-hour, as a rule.

3262. And then it entirely disappears?—No, but a man recovers consciousness.

3263. A man would be able to go about his business after half-an-hour's incapacitation?—He might or he might not, but he certainly is conscious in about half an-hour, as far as my observation led me.

Colonel *Hill.*

3264. You said that you considered the doctors were very indiscreet in their prescriptions of ether?—Not "very" indiscreet,

3265. That they were indiscreet?—Yes.

3266. I understood you to say that you thought

Colonel *Hill*—continued.

them responsible, in some degree at all events, for the increase of this abuse?—To a certain extent, I think they are.

3267. Have you any medical knowledge to enable you to criticise doctors' prescriptions?—I have studied medicine for five years.

3268. Do you object to doctors giving alcohol as a remedy?—Not at all; not where it is required.

3269. In the instance you mentioned just now you said that the patient found that the medicine was agreeable and doing him good, and applied for some more?—He continued it.

3270. That was a natural thing for him to do?—No, not after the disease had passed away. He applied for more of the medicine.

3271. And the doctor knew the disease had passed away?—So I was informed. This information was given to me by the medical man himself.

3272. What he had done himself?—What he had done himself.

3273. He had continued the medicine after it had cured the man?—Quite so.

3274. You said that the publicans were very careful about the manner in which they sold this ether to be drunk?—Yes, as far as I have seen, very careful.

3275. You described the way of taking it and the precautions adopted, and it seemed to me that they were very much like the precautions you would adopt if you had to take a dose of very nauseous medicine?—Yes, that would be so.

3276. But these people do not mind it?—No, I think not, for the sake of the after-effect.

3277. You say there is no headache left by it, and no other unpleasant sensation such as you derive from drinking an ordinary intoxicant?—Not to the same extent. There are cases though after the habitual use where dyspepsia comes on.

3278. Do not you think that a more vigorous application of the Poisons Act would do all that is required?—I do not think it would be sufficiently far-reaching by any means.

Chairman.

3279. Did you ever experiment with ether upon yourself?—Yes, I did; with two friends present.

3280. How much did you take?—I took what is commonly known as two drachms, a dessert-spoonful.

3281. And what was the result of it?—I will tell you. As far as I have observed, as far as I can give you the result, from my own views of it. First of all, a flush came into my face; a transitory wave of excitement seemed to pass over me after that; then I had what I might term a sort of high ideas, elevated ideas; I imagined that the surroundings were very beautiful, and generally my ideas were, well, of a very peculiar nature, so to speak, you know, as if you had got nothing to do and no trouble or bother or anything, as if you did not care for anything; in a very happy state. That is as far as I can remember.

3282. Did you become actually drunk?—Yes, I was actually drunk.

3283. And

Chairman—continued.

3283. And not made insensible by that dose?—No, not insensible.

3284. How long did it last?—I think it was 35 minutes; between 35 and 40 minutes before I could say I was thoroughly recovered.

3285. Was it followed by a period of depression?—Afterwards you mean? Yes, there was mental depression afterwards, which lasted for nearly four hours.

3286. And was the same result produced on the friends who tried it with you?—They did not try it.

3287. They only took care of you?—They only took care of me in case I should require it.

Colonel *Hill.*

3288. Did you become insensible?—No, I did not; I was able to speak and to talk, but some of my answers (this evidence I only give from information given to me) I understand were rather out of the way.

3289. You experienced first of all a period of happiness?—No; first of all, a period of excitement.

Colonel *Hill*—continued.

3290. And then a period of happiness?—Yes.

3291. And then what happened to you next; do you not recollect anything more?—I cannot give you any accurate recollections after that.

Sir *Edward Harland.*

3992. I presume you took it in the recognised method, a little water first, and then swallowed the ether and then water again?—No, I did not take any water first; I took the water afterwards.

Chairman.

3293. You did take water afterwards?—Yes; I did take water afterwards.

3294. Did you feel a sensation of cold in the stomach when you tried this experiment on yourself?—No; not a great sensation of cold. It is more like the feeling that you have when you grasp a piece of lead.

Sir *Edward Harland.*

3295. Did you try it on any other occasion?—No.

Mr. NEVILE LUBBOCK, called in; and Examined.

Chairman.

3296. WHAT position do you hold in regard to the West India Committee?—I am the Chairman of the West India Committee.

3297. What does that consist of?—It is a body consisting of proprietors of sugar estates, and merchants importing West India produce into the United Kingdom.

3298. I suppose, in addition to sugar, rum is one of the products that you import a great deal of?—Rum is a large product in the West Indies.

3299. Is that increasing or decreasing?—I think it is about remaining stationary at present, that is to say, the importation of West Indian rum. But I might explain, perhaps, that the quantity of rum that is made in the West Indies depends partly upon the price of sugar. If sugar is very low and rum is high there is a disposition to make more rum and less sugar. On the other hand, if rum is low and sugar is high, then the molasses are reboiled rather more frequently, and more sugar can be obtained with some diminution of the product of rum.

3300. There is only a small stock of rum in the country at the present moment, is there not?—I think the stock at present is moderate; I do not know that it is very small, but it is rather less than it was last year or the year before.

3301. Do you know how much excess of rum there is in comparison with the consumption in the country; I think it is a very small excess?—I should think the imports about balance the consumption; I do not think there would be any excess just now.

3302. The rum, of course, which you import is all the product of the sugar cane or molasses?—Sugar cane and molasses. We maintain that nothing else is entitled to be called rum, except that which is produced from the sugar cane.

3303. What definition would you give to rum?

Chairman—continued.

—Rum is a spirit manufactured from the sugar cane, from the product of the sugar cane. It can be manufactured either direct from the cane juice or from the molasses, which is the refuse of the sugar. After the sugar is obtained from the cane juice there is a certain amount of molasses left, which, strictly speaking, is a mixture of water, cane-sugar, and glucose. This is usually distilled, and from that the rum is obtained. But I do not think that spirit made from any other product is entitled to be distinguished as rum.

3304. Then you claim your right to the definition of rum from long usage?—From long usage.

3305. From its being applied to a product distilled from sugar products?—From sugar products. I think I might say that until last year, as far as I know, no other spirit was ever attempted to be called rum.

3306. Was it only last year that other spirits began to be so-called?—Only last year, as far as I know.

3307. Then there is imported from abroad a spirit under the name of rum that is not derived from the products of the cane?—Quite so.

3308. Where does that come from?—That comes mainly from Hamburg, but I think some is imported from Russia, a small quantity from Belgium, and a small quantity from France.

3309. And what does that Hamburg rum consist of?—We believe that it is spirit made from the potato or the beetroot, that that has added to it a small quantity of what is called rum essence, which is produced by some enterprising Germans, I think, and that gives the spirit the colour of rum and a slight flavour of rum. On arrival then in London, the Customs allow this spirit to be entered as rum.

Chairman—continued.

3310. Without any statement of the source of origin?—Quite so; the mere fact of its having the colour and general appearance of rum is sufficient for the Customs to allow it to be entered as "rum."

3311. Do you think they put any genuine rum in it?—Well, it is very difficult to say. I should have thought that they did, but I have some evidence to show that they do not. I think that if there is any rum in it at all it is a very very small quantity.

3312. You think it is, in fact, plain spirits flavoured with an essence?—Flavoured with an essence which just gives the appearance and a slight flavour of rum.

3313. With experts would it come into competition with rum at all; is it near enough to rum to do that?—I think I may say decidedly not. I think it is the fact that this product cannot be sold on the market in the form in which it is imported; that it is only after it is vatted with a large quantity of the genuine rum that there is any sale for it at all. You could ascertain this from the Customs authorities, but I am informed by one of the leading rum brokers that none of this Hamburg rum pays duty in the form in which it is imported, that it does not pay the duty until after it has been vatted with other rum.

3314. Then the vatting takes place in the Customs itself?—In bond.

3315. Of course Colonial rums and Hamburg rums could, according to the rules of the Custom House, be vatted in bond?—Of course; and if the rum came into the docks, and was entered as "Spirits from Germany," I believe then it would not be allowed to be vatted; and, therefore, the mere fact of the entry being permitted as "rum" enables them to vat it with the genuine rums, and so get a sale for this spirit which they would otherwise not get.

3316. Then you labour under a disadvantage in the colonies that the whiskey dealers here are not subject to, because here the whiskey distillers are not exposed to having their whiskies blended with foreign spirits in bond as you are exposed to having your rum blended?—We are practically under that disadvantage.

3317. Do you think the colonial products are at a disadvantage as compared with British products in that way?—Yes; and not only because British products can be vatted with genuine foreign rums, but also because those genuine foreign rums can be vatted with foreign spirits which are not rums at all. That is what we complain of mainly, that this spirit which is imported here, and which is not in any proper sense of the word rum at all, is allowed to be vatted with our colonial rums.

3318. But is it a fact that your colonial rums are blended in the Customs with what are called German spirits?—Yes, that is so.

3319. Do you know whether the taste for rum has been altering in the country as the taste for whiskey has been altering. We have had it in evidence that the public require a much milder whiskey than they used to do; whiskey with a much milder taste; do you think it is the same with regard to rum?—I cannot say at all, because the rums, as we sell them, are not in the condition in which they are drunk. The rum that we import is from 38 degrees to 40 degrees overproof, and that is diluted down very considerably before it reaches the consumer; you could not, in fact, drink rum of that strength. Mr. Sentance gave evidence before the Merchandise Marks Act Committee, which describes very clearly what is done with regard to these rums in the way of vatting; it is at page 177 of the Report of the Evidence of that Committee.

Chairman—continued.

3320. Will you read it?—First of all I may say that Colonel Hill asked Mr. Howard Payne these questions: "In mixing the spirit that comes from Hamburg it is all brandy, except that statement. (*A.*) Yes.—(*Q.*) You allow that to be vatted with the real cognac. (*A.*) It is all brandy.—(*Q.*) You call it vatted brandy. (*A.*) Yes, 'vatted.'" Then Mr. Sentance was re-called and was asked by Mr. M'Ewan: "Is that permitted for home consumption?" and his answer was; "Yes, it is all brandy." Then he comes to rum, and Mr. M'Ewan puts the question: "And the same of Jamaica rum and Hamburg rum, do you allow those to be mixed in bond. (*A.*) Yes.—(*Q.*) And allowed for home consumption. (*A.*) Yes; but they are marked in a different way, and a mixture of that kind would be marked, 'Mixed rum, E. and C.,' clearly indicating that it was a mixture of European and Colonial; one coming from the Continent and one from the colonies direct." That shows the practice, but I believe that this particular practice of calling it "European" and "Colonial" is of recent origin.

3321. You are aware I think of the answer to Question 599 in the evidence before this Committee?—Yes.

3322. Colonel Hill there asked Mr. Murray: "Of course the real rum is only made in a cane sugar-producing country," and the answer was, "Yes; I may say we have had representations from the trade on this matter, and in order to meet their views we proposed to the Treasury that the mode of entry should be altered to this extent, that rum should be entered as from ports in countries in which the sugar-cane was produced, or as from ports in countries in which the sugar-cane was not produced; any rum which was entered under the last description could not, under our regulations, be blended with rum which came from ports in countries where the sugar-cane was grown, and that would meet the complaints of the trade, who say that we ought not to allow the two kinds to be blended. We propose that the law should be altered to that extent to meet their views." Would that meet your views?—Not entirely. We maintain that this spirit should not be allowed to be entered by the Customs as rum at all; we consider it is a fraud calling spirits "rum" which are made from potato and from beetroot.

3323. But would not that protect you to a certain extent?—Yes, to a large extent it would, undoubtedly.

3324. Now supposing that when it came in as Hamburg rum it was not allowed to be blended with Colonial rum, how could you follow it out under any other name and see that it was not done so afterwards?—I would call it "spirits."

3325. But

Chairman—continued.

3325. But how could you follow it out. Supposing that it goes out of the customs and is not blended in the customs, and that afterwards, having paid the duty, they blend that outside the Custom House, you could not follow it, could you?—No, I do not suppose that you could.

3326. The blending might go on; the publican might blend it for instance; he might take Hamburg rum and mix it with pure Jamaica rum, and you could not detect it?—No, I do not think you could.

3327. But you would get some protection by the Custom House not allowing blending inside the custom?—I think we should get a very large protection, because no doubt the mere fact of this rum having passed through the customs and come from the customs with the definition of "rum," gives it a sort of status which it would not have if it were made up outside.

3328. Then the products of the Colonies or the cane-producing countries (because you would protect Demerara and Jamaica as well as other places) would then get into the same condition as the British products at home, in the case of which foreign spirits are not allowed to be blended with them in the Inland Revenue?—I think so. Might I call attention to one remark of Mr. Murray in his evidence at No. 592? Mr. Murray there says, "There is a large quantity of molasses imported into Hamburg for the purpose, probably, of making this rum; and therefore, though it is not Colonial rum, it is rum made from sugar, and that is mixed with German spirit." I think Mr. Murray is in error about that, and for this very good reason: the spirit which comes from Hamburg is worth usually, at the present moment, from 1 *s.* 1½ *d.* to 1 *s.* 2 *d.* per gallon of 66 degrees over proof, Demerara rum is worth 1 *s.* 10 *d.* to 2 *s.* per proof gallon; that is to say that the Demerara rum is worth per liquid gallon about 2 *s.* 8 *d.* to 2 *s.* 10 *d.*, as against this German spirit, which is worth 1 *s.* 2 *d.* Now it would not pay to import molasses to make rum, even at 2 *s.* 8 *d.*; and therefore I feel certain it would not pay to import molasses from any cane-producing country to make a spirit to sell at 1 *s.* 2 *d.* I think it much more likely that a certain proportion of molasses is mixed in with the other ingredients from which they obtain their spirit, in order somewhat to soften it and improve the quality. Mr. Murray, you see, states merely that he surmises that rather.

3329. But you would go further than is proposed by the Customs, and you would wish to say that Hamburg rum should not be called "rum" at all?—Quite so. I believe that the last suggestion of the Customs is that it should be called "imitation rum."

3330. That would be better for you than "Hamburg rum"?—Yes, I think it would.

3331. You would not go so far, would you, as to say that there should be no British rum as there is British brandy?—Well, I think I should.

3332. There is British brandy sold to a large extent in this country which is not brandy at all imported from abroad, but made in this country?—Yes, no doubt; that is of very old origin. This brandy was made to imitate the foreign

Chairman—continued.

brandy, and that was done long before the Merchandise Marks Act was thought of; and I think it is in consequence of the number of frauds of that description that have followed that the Merchandise Marks Act has been passed.

3333. But if it was called "British rum" (I do not know that there is British rum, but there are certainly large quantities of British brandy), would you monopolise the term "rum" against that?—Yes, I think I would. If there was such a thing as British rum in existence at present, which had been in existence for a large number of years, that might be a reason for allowing the name to be retained; but seeing that there is no such thing, I do not see why you should allow it to commence.

3334. Supposing they were to take the patent spirit made in London, and convert it into British rum by any means, do you think that you could prevent that, because they do not call it Colonial rum, or Jamaica rum, or Demerara rum?—No, I do not know that you could prevent it; but I do not know that we ask that there should be any legislation to prevent that kind of thing. What we wish to stop is the ægis of the Customs, as it were, being thrown over this Hamburg spirit, and then allowing it, in consequence of its being entered as rum, to be blended and mixed with the genuine article. In fact, I think that all we would ask, practically, so far as legislation is concerned, is that the recommendation of the Merchandise Marks Committee should be followed out; I think it is paragraph 7 of their Report. It is as follows: "The evidence given before your Committee has, in their opinion, conclusively proved that goods (notably articles of consumption) come into this country in large quantities in an adulterated form, but cannot, according to the evidence given by the Customs authorities, be detained under Section 3 (D.) of the Merchandise Marks Act, because in most instances they bear no trade description, as defined by Sections 3 and 5 of the said Act. Your Committee are of opinion that much harm is being done to legitimate trade by the impunity with which spurious articles are introduced into this country. They therefore propose that the Act should be amended by making the Customs 'entry,' which must bear a description of the goods imported, a 'trade description,' within the meaning of the Act."

3335. I think what I understand to be the tenour of your evidence is that you think the colonies are unfairly placed as regards the United Kingdom, by the fact that the foreign spirits which are not rums are mixed in the Customs with colonial products, and sold as colonial rums, whilst with regard to British products foreign spirits cannot be blended in bond with whiskies or other spirits?—Quite so.

3336. And you recommend that there should be a distinction made, and that blending should not be allowed under such circumstances?—Quite so. There is one other point that we have to complain of, and I do not know that it properly comes before your Committee; it is much moreserious to our Committee than what I have alluded to; that is the tax upon rum as compared with whiskey.

Chairman—continued.

3337. What is that?—The tax upon rum is 10 *s.* 6 *d.* a gallon, and upon whiskey 10 *s.* 2 *d.*; and the pretence for the extra fourpence is that it is to countervail certain disadvantages under which whiskey is placed by reason of the supervision of the Government; but there is no pretence that those disadvantages amount to more than 2 *d.* a gallon in the case of whiskey. In the case of gin it is contended that they amount to something more closely approaching the 4 *d.*, though not amounting to as much as 4 *d.*; but in the case of whiskey there is no pretence that they amount to more than 2 *d.* a gallon, and to countervail that 2 *d.* the whiskey producers are allowed a differential duty of 4 *d.* Of course that is a very unfair thing upon rum.

3338. That you look at from a colonial point of view; but supposing you were to reduce that duty, would it not be reduced upon foreign spirits as well as upon colonial spirits?—Quite so.

3339. Now, of course, the duty upon whiskey is 10 *s.* 6 *d.*?—Ten shillings and twopence.

3340. Including the addition of last year it is 10 *s.* 6 *d.*?—Yes; I beg your pardon for my mistake; but there is a differential duty of 4 *d.*; I am not quite clear how last year's legislation did affect it. It used to be 10 *s.* 2 *d.* and 10 *s.* 6 *d.*; there was some alteration.

3341. But you would take off also the increased duty upon all foreign spirits imported, unless we make a differential duty in favour of the colonies?—Yes, quite so. There used to be a differential duty in favour of the colonies up to about five or six years ago, and then they were all put upon the same footing; but at the same time the differential duty on whiskey, as between whiskey and rum, was increased. If I remember right, the difference in the duty between whiskey and foreign spirit, or British spirit, used to be 3 *d.* Practically what we say is that whiskey as compared with all other spirit is protected to the extent of 2 *d.* a gallon; in the case of gin, I should think gin is protected to the extent of 1 *d.* a gallon, at any rate not more.

Colonel *Hill.*

3342. I suppose you could not give us the origin of the term "rum"?—I am afraid I cannot.

3343. I believe it is a very wholesome spirit, is it not?—I believe so. I remember seeing some years ago that there was a report by some German who professed to have investigated the relative wholesomeness of different spirits, and he put brandy first, rum second, grain spirits third, and the root spirits fourth.

Chairman.

3344. Where did he put whiskey?—Whiskey would come amongst the grain spirit; better than the root spirits, but rather worse than rum; but I cannot say whether that can be relied upon.

Colonel *Hill.*

3345. Have you yourself been much in the West Indies?—Yes.

3346. And you have seen rum-drinking there?—I have seen more rum-making than rum-drinking. The lower orders drink rum, but the upper classes do not.

3347. Have you had any reason to notice the comparative effects of the over-drinking of rum as compared with the over-drinking of brandy?—No; I should think they would be very much the same.

3348. Do you think your West India rum is deteriorated by the addition of foreign spirit?—No doubt; and also lessened in value, because the value of the two rums combined would be nothing like the same in the market as that of the West India rum by itself.

3349. You consider it a very great disadvantage to the producer that foreign spirit should be allowed to be mixed with your rum?—Undoubtedly.

3350. That it not only deteriorates it in quality, but also tends to lower the price by increasing the quantity?—Yes, and also to get the rum a bad name amongst consumers.

3351. And you consider that for the Custom House to allow that to be sold as rum which they know is not rum is a fraud?—I think it is, and that it is practically, as I said before, casting their ægis over what amounts to a fraud.

3352. You do not see that there would be any protection to the public so long as the term "rum" is allowed to be retained for that?—Quite so.

3353. The mere fact of calling it "E. and C. rum" would not be a sufficient protection in your opinion?—No.

3354. Because under that term you might get small quantity of genuine rum and a large quantity of foreign spirit?—Yes. I fancy as a matter of fact you get about half-and-half under that term, or nearly so.

3355. Would it be possible to detect the blending of foreign spirits with rum?—You mean after they have left the Custom House?

3356. Yes?—I think that would be very difficult. There is some correspondence that we have on this subject with the Customs and the Treasury which I might put in, perhaps.

Chairman.

3357. Certainly?—I do not think I need trouble you by reading it now, but I will put it in.

Mr. *Boord.*

3358. You said that when sugar was low there was a temptation to make more rum?—Yes.

3359. Which was the most profitable for your West India friends, the sale of sugar or the sale of rum?—The two things are combined.

3360. You say that when the price of sugar is low they make more rum; which do they prefer; —Perhaps I can best answer that by explaining the process. The cane juice is evaporated, and there is what is called a *masse cuite* made; that is put into a centrifugal and spun round, and the dry sugar is left in the centrifugal and the molasses is cast off; that molasses is re-boiled and made into another *masse cuite*; and the same process is again gone through in the centrifugal; the molasses can be again re-boiled, and a third crop of sugar made out of it. But if rum is at a good

Mr. *Boord*—continued.

good price it will pay better to convert that third molasses, and, possibly, the first molasses into rum rather than to reboil it; and thatis the way that, as a rule, the price of sugar affects the quantity of rum. But in Jamaica, where certain estates get an exceedingly high price for their spirit, they do actually sometimes make rum direct from cane-juice as being more profitable than making sugar. In that way you will see in the returns of the Board of Trade that three years ago, and a year before that, there was an enormously increased importation of rum from Jamaica; and that was due to the fact that the price of sugar was very low in those years', and the price of Jamaica rum was fairly satisfactory.

3361. Your friends like a high price for sugar?—Yes.

3362. Then how came you to advocate the Sugar Convention which you said would lower the price of sugar?—The price of sugar is a relative thing. A price which would be very satisfactory to us 10 years hence would probably be a price very low and unprofitable now. If the lowering of the price of sugar is due to equal competition all round, I am sure we can reduce our price as rapidly and more so than our competitors; but if the reduction of price is due to an artificial subsidy we are placed at a disadvantage with our competitors.

3363. You said that German spirit was mixed with rum in bond?—Yes.

3364. What evidence have you of that?—We have the evidence of the Customs authorities; they gave that evidence before the Merchandise Marks Act Committee, and I think that evidence has been given before your Committee.

3365. You said that the present value of German spirit was about 1*s.* 2*d.* a gallon at the highest strength, 66° overproof?—Yes.

3366. Are you quite sure of that, or do you mean that it is 1*s.* 2*d.* per proof gallon?—I will give you my authority for that. This is my authority which I got this morning (*producing a paper*).

3367. The meaning of this is that it is 1*s.* 2*d.* proof?—If you say that is so, no doubt you are correct, but I know that I obtained this value when I gave evidence before the Merchandise Marks Act Committee, and then the value was given to me per liquid gallon, and it was then 1*s.* 2*d.*

3368. The reason I draw attention to it is this; that you compared the price of rum, which you said was 1*s.* 10*d.* proof, with German spirit, which you said was 1*s.* 2*d.* for 66° overproof?—No doubt it makes a difference. If you are right, which no doubt you are, to compare the things equally you would have to add, practically, 40 per cent., say, to 1*s* 1*d.*

3369. No, I think not; the comparison is between 1*s.* 2*d.* and 1*s.* 10*d.*; according to your figures rum is dearer by 8*d.* a gallon than German spirits?—Per proof gallon; and if you take it 40 over-proof, it would be so much more, that is, 1*s.* a gallon; that is a large difference on spirits worth 1*s.* 6*d.*

3370. I think you were not quite correct about the duties; you said the duty on rum was what?—10*s.* 6*d.*; I was under the impression it was.

0.58.

Mr. *Boord*—continued.

3371. I think you will find that it is 10*s.* 10*d.* for foreign rum and 10*s.* 8*d.* for colonial rum?—No; colonial rum pays the same duty as foreign rum. It used not to be so once; there used to be a difference, but now it is the same for all foreign and colonial spirits.

3372. And for British spirits it is 10*s.* 6*d.*?—10*s.* 6*d.*, yes, a difference of 4*d.*; and my complaint practically is that of that 4*d.* in the case of whiskey, 2*d.* is pure protection.

3373. You say you have heard of no such thing as British rum. I remember to have heard of it a good many years ago; I do not know what it was composed of, but I have heard of it certainly?—I certainly have never heard of it.

Sir *Edward Harland.*

3374. Which still do you use, is it the patent-still or the pot-still in the manufacture of rum?—The pot still is used very largely, and what is called the vat-still, which is a form of pot-still; and then we use the Coffee-still and various descriptions of these plate-stills.

3375. What description of still do you think produces the richest and most valuable rum for drinking?—I think the pot-still or the vat-still. I think the simpler the still is, the more flavour you get.

3376. That was the evidence we had with regard to whiskey also. Then in regard to the ageing, do you age the rum in casks?—No, not at all.

3377. Then why do we hear so much about old rum?—I am afraid you hear more about it than you see of it at present. I fancy old rum is a very difficult thing to get now.

3378. If you wished to improve it for your own drinking would you age it?—I would, certainly.

3379. In the cask or in the bottle?—I should think in either it would produce a great improvement; I think in the case of all spirits and wines, age improves the quality invariably.

3380. Have you any experience of rum being placed in bottle as against the cask?—No, I cannot say that I have. In fact, the only experience of very old rum I ever had was, no doubt, aged in cask. That, I believe, was the best rum to be obtained practically. It was rum that was kept by a firm who failed a few years ago, and they had this rum cask going for a hundred years, and they kept drawing from it and adding to it year by year.

3381. The ageing in that case would depend entirely upon the small amount drawn out?—Yes; I have no doubt they practically put in as much as they drew out each year, and in that way the average of the age of the cask was considerable.

Chairman.

3382. I believe that the Inland Revenue or the Customs have agreed to this defination: "(*a*) Rum imported from ports, in sugar-cane producing countries; (*b*) imitation rum, from ports in countries in which the sugar-cane is not produced, with provision for verification by documents of any rum which, having really been produced in places covered by class (*a*), may find

Chairman—continued.

its way into the United Kingdom from places covered by class (*b*)." Do not you think that definition would be a sufficient protection for colonial rum?—I think that if they did not allow the two to be vatted it would be a sufficient description.

3383. But I am assuming that "rum" is adopted by the Customs as dividing real rum from cane-producing countries from rum from countries which are not cane-producing?—If they do not allow them to be vatted together in bond that would be a sufficient description. Of course we would prefer that that "imitation rum" should be called "spirits" or "mixed spirits."

3384. But if it were so defined as I have read to you, you think that the colonies would be sufficiently protected?—I think so. This I understand is a recommendation which the Customs have made to the Treasury, and which has not yet been adopted.

3385. I think it was rather a recommendation by the Customs made to your Committee, and which was approved of ultimately by your Committee?—I have the letter here I think to which you refer. It is dated the 22nd of December, and it was to the West India Committee. It begins: "With reference to your letter of the 9th instant, I am directed by the Board of Customs," and so on; and it goes on to say, "but that the Board are awaiting from the Treasury directions on a recommendation which was made to their Lordships by the Board, when the question was previously under notice that importations of rum might be classified as follows."

3386. The Chairman accordingly conferred with Mr. Man, a large broker in the trade, and agreed with him that if the trade were satisfied with the following alteration of the heading "Rum" in the import list, the Board would recommend to the Treasury that the alteration should be made," as I have already read?—I presume that Mr. Man did approve of that; but Mr. Man does not represent the West India Committee, though he

Chairman—continued.

is a very high authority on questions connected with rum.

3387. "Mr. Man thought the proposal would satisfy the trade, but he subsequently informed the Chairman that after consulting the members of the trade he found that no alteration would satisfy them where the word 'rum' is used, and that consequently there was no other class but 'spirits unenumerated' under which the spirit should be entered;" so that the trade were not satisfied with that?—Quite so; you will see there is a letter from the West India Committee on the 5th February in which we say: "We beg to repeat our suggestion that in the latter case the article should not be denominated 'rum' but should be accepted by the Customs on importation as 'mixed spirits.'" Then the answer to that letter contains this: "The subject was under the consideration of the Lords of the Treasury, and as the matter still remains in that position the Board have sent a copy of the present application to their Lordships for directions."

3388. But independently of a general agreement you consider, at all events, that there would be a very considerable protection by these definitions?—Yes, I do; I think it would be a great improvement on the present system. There is a copy of a petition which I would like to put in too. I think that the effect of the petition is that these spirits should not be entered as "rum": "Your petitioners would therefore humbly pray that your Lordships would be pleased to carry out the proposal of the Customs to alter the regulations, so as to descriminate between rum and a mixture which contains no rum, and that this mixture should not be entered at the Customs or sold to the consumer as rum, but under a denomination showing its real character and composition." Might I just state that the quantity of this European rum which has been imported into London during the first two months of this year amounts to 245 puncheons, 48 hogsheads, and 124 barrels.

Mr. ALBERT DRUCE, called in; and Examined.

Chairman.

3389. Do you represent the rectifiers in London?—Well, I do not know that I do that; I was asked by the secretary of the trade to attend; I have not been delegated by the whole body in any way.

3390. Is a considerable amount of the spirits produced by distillers in London used for rectification?—A great quantity; I should think the greater quantity.

3391. What do you do in rectification?—We re-distil the spirit, and extract from it the fusel oil, and also the acetic acid which exists generally in the raw spirits.

3392. You do that by the addition of chemicals before you rectify it?—Yes.

3393. Potash in the case of the oils, and what do you use for the ethers?—We do not use anything for ether; we never buy spirit with ether in it if we can help it, because it is extremely difficult to rectify; it is so volatile.

Chairman—continued.

3394. What are the rectified spirits used for?—Principally for making gin.

3395. And other cordials?—And cordials, yes.

3396. Is that a large trade in London?—Yes, I should think it was; I daresay there are five million gallons made in London; I do not know exactly the quantity.

3397. Would there be any advantage in keeping the patent spirits for the purposes of the rectifier?—No advantage to the rectifier at all; it might be some disadvantage.

3398. Keeping it in bond would not improve it for rectifying purposes?—No; it would not improve it; in certain cases it might spoil it. If, for instance, anything in the shape of ether was to be formed from the fusel oil, that would be very difficult afterwards to extract; it would make it more difficult in fact to work it.

3399. Therefore, as I understand you, the newer you get it as directly coming from the still,

Chairman—continued.

still, the more it is adapted for your purpose?—I should say so, certainly.

3400. Would it be of any advantage to keep rectified spirits in bond?—No; I should say no advantage at all, beyond a few weeks; there is nothing very much in the rectified spirit to improve.

3401. Why would it be the better for being kept even for a few weeks?—The rectified spirit comes from the still in a strong state, and we have to reduce it with water, and there is very often chalk and earthy matter in water; it rounds and softens after a few weeks by that being deposited.

3402. By the mixture of the water with the spirit?—The water we generally use contains earthy matter and chalk and that gives a rough taste to the spirit at first, and that subsides in a short time, and after that I consider it does not improve.

3403. Do you put it in bond for that purpose?—No, we can do it on our own premises and it would not be worth while putting it in bond for two or three weeks.

3404. You do not put it into bond for that time?—No, not at all.

Chairman—continued.

3405. Are these rectified spirits used a great deal in the arts as well as for the purposes of gin making?—I do not think the rectified spirits are used very much in the arts. They used to be used so, but I think now they very often use other spirits, unrectified spirits.

3406. For instance as pure alcohol for the chemists?—A small quantity is used by them.

3407. Where do they get their alcohol; they take a great deal?—They buy it from the rectifiers, and some of them buy it I believe not highly rectified, a practice we do not at all approve of.

3408. Is your rectified spirit used a good deal for tincture making?—It is used to some extent.

3409. But mainly for cordials?—Mainly for making gin, I should say, and cordials.

3410. Then you have formed a clear opinion that bonding it would not improve it?—I feel perfectly satisfied that it would do no good whatever; it would have no effect except that it would add to the cost of it very materially.

3411. Without altering it?—Without making it any more valuable to us.

Tuesday, 17th March 1891.

MEMBERS PRESENT:

Mr. Boord.	Mr. M'Ewan.
Sir Edward Harland.	Sir Lyon Playfair.
Colonel Hill.	Sir Henry Roscoe.

THE RIGHT HONOURABLE SIR LYON PLAYFAIR, IN THE CHAIR.

Mr. JAMES WILSON, called in; and Examined.

Chairman.

3412. WHOM do you represent in Belfast?—I appear to represent the wholesale blending trade of Belfast; there are there 25 houses, all wholesale blending houses; I represent them all with two exceptions.

3413. Your desire was to have the blending trade more fully represented than by a previous witness?—Exactly.

3414. Do the blending firms have their own distilleries, or do they blend independently of distillation?—Several of the houses own distilleries individually; several of them join together to share large distilleries, but the majority of them are not owners of distilleries, but purchase from various distilleries over the country.

3415. And do they blend to suit the various tastes of the public?—That is the main object of their trade, to suit the varying demand of the public.

3416. Have you found that demand alter in recent years; is there a demand now for a milder whiskey than there was some years ago?—For several years past we have noticed distinctly that the public taste has gone in the direction of a better matured whiskey.

3417. But is there demand for a milder whiskey; or is the demand not of a different character from formerly in that respect?—There is no alteration in regard to character that I can speak of; merely in regard to age.

3418. In blending spirits do you blend pot-still whiskey by itself, and patent-still whiskey separately?—We recognise no difference in Ireland between the two classes of whiskey.

3419. They are both called whiskey you mean, and both are blended together?—Yes, they are blended together.

3420. I think you could probably confirm the evidence of previous witnesses that nothing but malt or a mixture of malt and grain is used in making Irish whiskey?—I can fully confirm that.

3421. No molasses or sugar or other materials are used?—No molasses, sugar or other materials except grain have been used; the grain being malted of coure, or malted and unmalted in a mixture.

3422. After you have blended the whiskey is your blend left to mature for a certain number of years?—The houses which do an old whiskey trade do mature it for one year, two years, or as far as far as seven or eight years.

Chairman—continued.

3423. After blending?—After blending; but of course in these times the cry is for cheapness, and it is impossible that the absolutely cheap whiskey can be kept for a series of years, either before blending or after blending, and you may expect therefore that a great deal of the blended whiskey is removed for consumption within six months of the maunfacture, a considerable proportion as I have said on account of the demand for cheap spirit.

3424. It goes out of bond altogether within six months of the manufacture you mean?—Yes.

3425. Would you think it a useful law to compel all the whiskies to be kept for 12 months or two years in bond?—I would think it practically of no use. You mean of course from the health point of view?

3426. I mean from a health point of view?—My own idea is that it would be practically of no use.

3427. The blenders do not want that?—The blenders have no more objection to it than the distillers, or any other class.

3428. But have they as much objection?—I do not think the blenders have as much objection. The blenders are people who meet every requirement of the ordinary consumer; if the requirement of the ordinary consumer were to have seven years' old whiskey, my prediction would be that blenders would be the first people to put the seven years' old whiskey on the market.

3429. But you think that they should do that by demand and custom, and not by law?—I think so.

3430. Have you large stocks in bond in Belfast?—The quantity of spirit handled in Belfast is of course, as you have heard already, a very large amount. In saying that there is a large stock, of course I would only speak in a relative sense; but the stock in Belfast must be one of the largest in the Kingdom, perhaps not so large as in Glasgow, and perhaps not so large as in Dublin, but, next to Dublin, I should say the largest in the Kingdom.

3431. The total production of whiskey in Belfast has been stated, I think, at 4½ million gallons?—I believe that is quite correct.

3432. Is that about one-third of the production of

Chairman—continued.

of all Ireland?—It is more than one-third of the production of all Ireland.

3433. Is there much whiskey imported from Scotland into Belfast?—There is not a considerable proportion. I should think that, taking the amount that you have spoken of as being the production of the town, something like a tenth of that would represent the quantity of whiskey which is imported from Scotland to Ireland.

3434. Is that used in blending Irish whiskey?—No, certainly not.

3435. What is it used for?—It is used for the Scotch whiskey trade.

3436. Do you mean that no patent-still spirits are imported from Scotland for the puspose of mixing with Irish whiskey?—Patent-still spirits are imported from Scotland indirectly for the purpose of mixing with patent-still, and, indeed, with other spirits made in Ireland; but they are never sold as Irish whiskey. Of course you are aware (I suppose you have had the evidence given already before you) that the bonded warehouses will not permit the use of the word "Irish" on the head of a cask, or on a dispatch going along with the goods, if they are removed under bond, or on the permit which goes to the retailer in case they are duty paid, unless, to their knowledge, all the spirit in the cask is Irish.

3437. Then what becomes of the Scotch patent-still spirit that is imported into Ireland; what is it used for?—It is sold for the cheaper quality of goods as whiskey. For instance, there is a large country behind Belfast; of course that requires a large quantity of cheap spirit. But it may be part of it exported; I should think some of it is exported, or sent away from Belfast.

3438. Is it cheaper than the patent-still spirit which you produce in Belfast?—No.

3439. Then why is it imported?—Because the patent-still producers of Belfast only represent five or six or seven of the 25 people, the remainder of the firms buy where they can get the best terms, but there is a very large pure Scotch trade from Belfast; a trade in which Scotch whiskey is imported, often of the very highest class to Belfast, and that whiskey, after being bottled, is shipped to the colonies, to India, and to foreign countries, it being pure Scotch whiskey.

3440. That I understand; but I want to follow out the Scotch patent-still spirit that is imported into Belfast. Do you say that that is sold as cheap whiskey in the neighbourhood and is not used even for the purposes of blending?—I said before, I think, that it was blended some of it in bond.

3441. What with?—With Irish; I mean either Irish patent spirit or Irish old-still spirit. There would be no objection, as far as I have ever heard, to any dealer blending Scotch patent with Irish patent and Irish old-still.

3442. That is what I was at, that it is used for the purposes of blending in Ireland?—Yes, it is the same; no expert could tell the difference between the two makes.

3443. Then when they are blended, how are you to know whether it is Irish or Scotch?—Do you mean, how is the blender to know?

3444. No; how are the public to know

Chairman—continued.

whether it is Irish or Scotch. You said that the Excise do not allow it to go out unless it is pure Irish?—Yes.

3445. But if a certain amount of Scotch patent spirit is mixed with Irish does it not go out still as Irish whiskey?—No, never.

3446. What does it go out as?—It is sold as whiskey, I presume.

3447. But not called "Irish whiskey"?—Not called Irish whiskey. The large blenders reserve the word "Irish" for a special quality. If people wish for very cheap materials the blender gives them no guarantee; he buys as pure cheap whiskey as he can get, but he does not give any guarantee; naturally he reserves the word "Irish" for that which he can stand over.

3448. Still the Scotch patent spirit goes out mixed with Irish whiskey?—Yes, as whiskey.

3449. A very large shipping trade of whiskey takes place from Belfast, does it not?—Yes, a trade that in the year 1890 reached 4,883,000 gallons.

3450. That is chiefly to England and to Scotland, is it not?—The chief export is to England; then comes Scotland, and then foreign countries. The total shipment of Belfast, I may say, is more than double the shipment of any other place in Ireland.

3451. The foreign exports of whiskey are chiefly to the colonies, I suppose?—The foreign exports are 288,000 gallons.

3452. That goes largely to the colonies does it not?—Almost altogether to the colonies.

3453. Does the public taste now demand very largely blended whiskeys instead of simple whiskeys produced by one distillation?—That has been the character of the change in the trade during the last 30 years; a gradual tendency to ask for a whiskey of average flavour, not very strong in one direction, and not very tasteless in another.

3454. Although foreign spirits cannot by the rules of the Inland Revenue be mixed with British spirits for home consumption they can be mixed for exportation cannot they?—Of course they can be mixed only for exportation.

3455. And then what are they called when they are mixed for exportation?—The name is I understand either "unenumerated spirits" or else "British and Foreign mixed," in which case the words must be cut on the head of the cask; but personally I have never seen an operation nor ever known an operation, and I do not think an operation ever takes place in Belfast of any such material. It is a very small trade.

Sir *Edward Harland.*

3456. Could you give us your definition of whiskey; we have had various definitions before us and what would yours be?—I think you have had the definition that the Belfast people would fall in with already. As well as I remember it was that which was given by Mr. Drysdale, I think here, and it is that the use of "Whiskey" as a name should be confined to the spirits made from grain whether all the grain be malted grain or whether it be malted and unmalted grain together; that is to say, in fact, grain whiskey either

Sir *Edward Harland*—continued.

either pure malt or a mixture of malt and unmalted.

3457. Would you consider that quite irrespective of what the charge was or the material used in the patent still that would be perfectly entitled to be called whiskey?—I go rather further; I say it has always been called whiskey; it has never been called anything else. I do not of course speak as to the custom in England as to patent-still spirits; I do not know that; I speak of the custom in Ireland, and in Ireland patent-still has always been whiskey since the patent-still was started; the title has never varied. With regard to Scotland I am not able to speak either, but as to Ireland I am positive. The patent-still was invented years before I was born; it is not at all a new apparatus.

3458. So that you would not, as a blender, object to certain proportions of the patent-still, and of course I presume from your knowledge of the distiller, and what is generally used by him, you would not object in the process of blending to blend the product of patent-still whiskey with pot-still whiskey of what may be termed a recognized high-class flavour and what is known as a favourite with the public?—Well if my customers kept in the mind that they are in at present they never would ask for anything else.

3459. Then a blending you mean?—Yes; that is what they require, and of course that is what I give them. The blending trade in general sets itself to meet the requirements of the consumers. The travellers everywhere find out how the taste is tending and they bring back samples with them of the class of whiskey which is pleasing and it is found then that the blend must be altered a little and the blenders set to work accordingly.

3460. You spoke as to its being a question of price as to whether you aged whiskey or not?—Yes.

3461. Do you find that the aging of patent still whiskey is equally satisfactory or advantageous to the aging of pot-still whiskey?—Relatively it is just the same; that is to say, the increased value; or when I use the word "relatively," the increased value of a sample or a cask say of patent-still spirits kept for three years cannot be equal to the increased value of a cask of fine old pot-still whiskey, because the first value of the pot-still is much the larger; but relatively it improves just as much as the other, and as an investment for money it pays just as well as the other.

3462. Would you consider that it would be necessary to keep the patent-still whiskey as long the pot-still whiskey in order to produce the the same effect of aging?—I cannot draw any distinction.

Colonel *Hill.*

3463. I think I understood you to say that patent-still whiskey was imported into Belfast from various places in the United Kingdom?—It is.

3464. In considerable quantities?—Not in considerable quantities relatively to the total trade.

3465. Still a good deal does come; for instance, from Liverpool or Bristol does a considerable quantity come?—I could tell you approximately the quantities.

Colonel *Hill*—continued.

3466. I do not know that you need do that. But you say that no Irish whiskey is allowed by the Customs to go out as Irish whiskey unless it is the exclusive product of Ireland?—Yes, to the knowledge of the officers who have charge of the bonded stores.

3467. Are there any Excise or Customs regulations that they have made to enforce that?—Yes.

3468. Do they inquire into the origin?—No, they do not inquire into that; but when any descriptive word is placed on the cask, for instance, the instructions to them are distinctly not to permit that word unless, of their knowledge, they know that that word is applicable to the goods; they will not trouble themselves to make the inquiry. But if, for instance, an attempt is made to get the word "Irish" placed on a cask, or get it placed on a warrant, and they know that any of the spirit came from England it is their business, and they act on it immediately to stop it.

3469. They do not take any means to ascertain that?—They do, I take it; I think they work it fairly effectively; I never heard of any complaint. It would raise difficulties between the blenders if a blender thought that some of the other bonded stores had the advantage of shipping the whiskey with denominations on it which did not apply to all stores; you see it would raise a difference among the trade, and I would find out, and the other blenders would very soon find out, if any of our neighbours were getting advantages that we were not. I have never heard of anything to make me think that that occurs.

3470. Supposing that a considerable quantity of patent still spirit made from rice were to be brought into Belfast, would there be any Customs regulations to prevent that being mixed with a small proportion of Irish or Scotch whiskey, and then being sent out as Irish or Scotch whiskey?—But there is no whiskey made from rice that comes into Belfast.

3471. Can you be sure of that?—I think so. About rice I am not so sure as I am in regard to molasses. I say, for instance, that there is no whiskey made from molasses that comes into Belfast; but even if rice spirit did come, it could not possibly be shipped from Belfast as Irish whiskey.

3472. The Customs or Excise regulations would prevent that, you mean?—Yes, unless it came from an Irish port. If it came from an Irish port as it stands at present there would be no objection to the word "Irish" going on the goods; but there is no spirit made in Ireland from anything but grain.

3473. You do not think it would be right for rice spirit to be mixed with a small quantity of Irise or Scotch whiskey and then to go out as Irish or Scotch whiskey?—I do not think it would be right at all.

Sir *Henry Roscoe.*

3474. Do you think then that under the present arrangements it is not necessary that there

Sir *Henry Roscoe*—continued.

there should be any further legislation with regard to branding the cask or labelling the bottle "Irish" or "Scotch" for sample?—I really do not see how any legislation could help matters much beyond what they are at the present moment.

3475. And, so far, you are satisfied with the arrangements as they exist?—I am.

3476. Did I rightly understand you to say that all the spirit or the mass of the spirit which you send out has only been in bond for six months?—No; I said that, as we all know, nowadays everything is wanted as cheap as it can be got, and that as there is a demand for cheap goods, one can easily understand that the blenders will meet it by selling a cheap whiskey. It is impossible that whiskey which is sold at the very cheapest price can be kept, say, for a year in bond. Therefore, I would take it that one-fourth of all the spirit that is shipped is under one year. But when you ask me do I ship it, of course it is a matter of the custom of each of the houses. Some of the houses never ship a drop of whiskey that is so young as a year, and I speak for them, generally; and others of them make it a point to ship very old whiskey and so on; and the custom of course varies according to the price at which each house sells its goods.

Sir *Henry Roscoe*—continued.

3477. And it is possible for a customer to know how long the whiskey has been in bond; the price alone tells him that?—He depends really on the character of the house for the description of the goods.

3478. There are houses that undertake to sell it cheap, and there are houses that only sell whiskey that has been in bond for a considerable length of time?—Yes.

Chairman.

3479. Is there any other thing you would like to add?—There is nothing I wish to add that I can think of.

Dr. JAMES BELL, C.B., F.R.S., called in; and Examined.

Chairman.

3480. YOU have been continuing your investigations as to the character of whiskey since you last gave evidence, have you not?—I have.

3481. I think it would assist the Committee if you were to begin by a short recapitulation of the differences in the mode of distillation between pot-still and patent-still whiskies?—I will do so. In the distillation of pot-still spirit, the fermented wash or liquid is introduced into a still called the wash-still, and heat applied thereto direct by means of a large furnace which is constructed under the still. The product of the distillation of the wash, which is called low wines, is condensed by passing through a long spiral pipe called the "worm," and which is surrounded with a constant supply of cold water. The spirit is collected in a vessel called a low-wines receiver.

3482. Now at that point let me ask you this: Are low wines taken away to another still then?—The low wines are re-distilled in another still afterwards.

3483. That is what I mean when I say it is a new still?—Quite so. The low wines are then conveyed into another still called the low-wines still and heat applied thereto, the same as in the case of the wash-still. The first running from this still is called "foreshot," which is diverted into a vessel called the "feints receiver." After what is deemed foreshot has ceased, the product, which is regarded as commercial spirit, is diverted into a vessel called the "spirit receiver."

3484. They are called foreshots when water is added and an opalescence occurs?—Quite so.

3485. And if it is distilled for some time, and no opalescence occurs, then the product is the whiskey?—Yes, whiskey, and diverted into the spirit receiver. Then, again, towards the end of the distillation the spirit, which again becomes somewhat impure and weak, is diverted into the

Chairman—continued.

feints receiver for re-distillation with the low wines.

3486. That is to say all the products go over and over again till they are incorporated?—Quite so.

3487. Now what is the difference, stating it as shortly as you can, with regard to the Coffey still or the patent still?—In the case of Coffey's patent still, the process of distillation which is carried on by steam is continuous, and the low wines are not collected as in the case of the pot stills, but pass on to the rectifying column in the form of vapour, where they are resolved into strong spirits and feints. At the end of each period, which occupies about a week, the feints are reduced by the addition of water to a strength of 30 or 40 under proof, when a layer of fusel oil forms on the surface of the liquid, and this is skimmed off and sold for use in the arts and manufactures.

3488. Now have you obtained returns of the quantity of fusel oil from different distilleries, and compared the quantity with regard to the product of spirits?—Yes, I have obtained from three distilleries returns of the quantity of fusel oil removed each period, extending over several weeks; and I find that the quantity represents on the spirits produced, calculated at proof, after deducting 15 per cent. for ethylic alcohol, in one case 0·187 per cent., in the second, 0·144 per cent., and in the third, 0·200 per cent.

3489. In the pot still, practically, no fusel oil is separated?—When the process of distillation is carried on in pot stills, no attempt is made to remove directly any portion of fusel oil from any of the distillates. The first product from the pot still, which is called low wines, contains the entire bye-products produced in the distillation of the fermented wash.

Chairman—continued.

3490. That is to say, contains the fusel oil and everything else?—Yes; and in order to arrive at an idea of the nature and extent of these bye-products, we obtained samples of low wines from two pot-still distilleries, one where malt only was used, and one where malt and raw grain were employed. The low wines produced from malt only were of a strength of 61·7 under proof, or contained 38·3 per cent. of proof spirit. The percentage of free acid, calculated as acetic, was 0·092, and the compound ethers 0·234, and the higher alcohols 0·151 per cent., reckoned on the spirit at proof.

3491. Now give us the result of the same examination as regards the pot-still spirit made with malt and grain?—The low wines from the ordinary grain distillery were of a strength of 59·1 under proof, or contained 40·9 per cent. of proof spirit. The percentage of free acid, as acetic acid, was ·058, the compound ethers ·051, and the higher alcohols 0·123 per cent., reckoned on the spirit at proof.

3492. As the result of these two examinations, does it show that there is a great difference in the compound ethers if the whiskey is made from malt, or if the whiskey is made from malt and grain?—It will be observed that the free acid is a little higher in the low wines from the malt distillery, and that the compound ethers are upwards of four times as much as in the low wines from the raw grain distillery. The higher alcohols also are somewhat higher in the low wines from the malt distillery.

3493. You said that the compound ethers show a very great difference; what do you think produces the compound ethers?—The proportion of compound ethers produced depends upon the acidity of the wash, and consequently the quantity of ethers not only varies at different distilleries but often at the same distillery. In this case the wash at the malt distillery must have contained a much larger quantity of free acid than the wash at the raw grain one. The free acid consists principally of acetic, with minute quantities of the higher acids.

3494. Did you obtain specimens of the free acids derived from whiskey?—I have specimens here (*producing two bottles*).

3495. What were the ethers; did you examine what were their characters?—The compound ethers are of a mixed character, but the great bulk consists of acetic ether, with small quantities of ethers in which the radicals of the acids derived from the higher alcohols and vegetable fats form constituents. I also produce specimens of the mixed acids, obtained by saponification of the ethers.

3496. Perhaps you will tell the Committee what you mean when you say by saponification?—By using an alkali of standard strength for decomposing the compound ethers.

3497. What is the meaning of A 1 on this bottle?—The free acid from the low wines of a pot-still distillery.

3498. And A 2 is another one?—Yes, A 2 is from a pot-still distillery also; they are from two samples of low wines.

Sir *Henry Roscoe.*

3499. They are of the same material from two different distilleries?—They are the free acids obtained from the low wines at two different distilleries.

Sir *Henry Roscoe*—continued.

Chairman.

3500. What are B 1 and B 2?—They are the acids derived from the compound ethers.

3501. You spoke of the fatty acids; will you state what you mean by that?—The fatty acids are derived from the oils in the grain, and partly in some cases from soap which is frequently added to the wash-still to prevent frothing. I produce specimens of the oily compound ethers.

3502. These fatty acids are very much like the fatty acids which are used for making common soap?—The vegetable fatty acids. This was obtained from (*producing a bottle*) a spirit six years old, and you see the globules of the fatty ethers, and if you look through that (*producing another bottle*) you will see a similar fatty ether present.

3503. Are the compound ethers which you got in the low wines found in the same quantity as in the finished whiskey?—No; the proportion of compound ethers contained in the low wines is much greater than is found in the final product or whiskey. In the rectification of the low wines in the second still, a considerable quantity of the compound ethers is obviously broken up.

3504. Then they do not exist in the same quantity in the finished spirits?—No; according to the result of our investigation.

3505. Did you examine the foreshots separately by themselves; that is the first portion of the distillation from the low wines?—Yes. In the rectification of low wines at pot-still distilleries; the first portion which comes over is as already mentioned, called "foreshot," which becomes more or less opalescent when mixed with an equal bulk of water, and for this reason this part of the distillate is considered unfit for commercial whiskey, and is diverted into the feints receiver for further rectification.

3506. What is the composition of the foreshots?—In order to ascertain if this product contained any special character, we obtained a sample from each of three distilleries, and I will state what the respective strengths of these were. The first was 50·5 over-proof; the second, 22·9 over-proof; and the third, 25·8 over-proof. The free acid in the first was ·0048; in the second, ·0039, and in the third, ·0286.

3507. And as to the compound ethers, what did they amount to?—The compound ethers amounted in the first to ·0423; in the second to 0·1360; and in the third to 0·308 per cent.

3508. And what was the percentage of higher alcohols in the foreshot?—The percentage of higher alcohols amounted in the first to ·097; in the second to ·097, and in the third to 0·109. The greatest variations in these results occur in the compound ethers, and these ethers contain an undue proportion of the radicals of the fatty acids; and the reason of this is readily understood. These ethers, which are of a heavy oily nature, begin to come over towards the end of the distillation of the low wines in an increased proportion, and the distillate being then weak in spirit, they condense, and become deposited in the

Chairman—continued.

the worm, or condensing-tube. In the next distillation of a fresh quantity of low wines the first portion of the spirit that comes over, being stronger in alcohol, dissolves and carries with it the heavy oily ethers deposited in the worm at the end of the previous distillation. These heavy oily ethers are insoluble in weak spirit, and hence the foreshot when diluted with water, gives an opalescent appearance.

3509. Have you made an analysis to show what are the acids in these compound ethers?—Yes. The following results have been obtained from the fractional separation of the combined acids in the mixed ethers in one of the samples of foreshot. Acids higher than valeric, chiefly fixed fatty acids (this represents the composition of the acids of the ether), 1·5; valeric acid and butyric acid, 22·6; propionic acid, 9·2; and acetic acid, 66·7 per cent. respectively.

3510. Then practically the acetic acid is the largest, and the valeric acid, that is the acid of fusel oil, and butyric acid come next?—Yes, quite so.

3511. Have you examined what the higher alcohols in whiskey are?—To get some idea of the nature of the higher alcohols in whiskey, and the proportion in which each exists, a sample of whiskey was selected for analysis, which was considered to fairly represent the average product of a malt distillery. After the removal of the free acid and the saponification of the compound ethers, the higher alcohols were extracted by chloroform and oxidised with permanganate of potash, and the baryta salt obtained was carefully fractionated. The first fraction, which consisted of about one-third, had an atomic weight of 102, corresponding to valeric acid.

3512. That is to the acid of fusel oil?—Of amylic alcohol.

3513. Which is generally known as fusel oil?—Yes. A second fraction had an atomic weight of 88·5, closely corresponding to butyric acid, and the remainder had an atomic weight or equivalent of 79, a little above that of propionic acid. When these results are adjusted and calculated out on the weights of the several fractions, the composition of the higher alcohols in the whiskey stands thus:—

3514. This is in the pot-still whiskey?—Yes, in the sample of pot-still whiskey. Valeric acid, 32·5 per cent.; butyric acid, 37·6 per cent.; and propionic acid, 29·9 per cent. No proof could be more conclusive to the scientific mind of the presence of amylic alcohol than this result; but in order to satisfy an ordinary observer another portion of the spirit was taken and operated on in order to produce the acetate of amyl, which is so well known by its pine-apple flavour; and although the product consisted of a mixture of the acetates of amyl, butyl, and propyl, there was no difficulty in recognising the characteristic odour of the amyl acetate.

3515. Then you do not agree with one or two witnesses who declare that in pot-still whiskey, especially whiskey made from malt, there is no amylic alcohol?—I do not agree with them.

3516. If you are right that in your experiments you got valeric acid, there must be amylic alcohol?—There must be.

Chairman—continued.

3517. Have you got the pine-apple flavour from that?—Yes, but I did not bring the sample with me.

3518. But you recognized the pine-apple flavour?—Yes.

3519. Did you examine the fusel oil in the same way, with regard to the patent spirit?—Yes. To obtain some knowledge of the composition of the fusel oil produced in the distillation of the patent-still spirits and skimmed from the feints receiver, we obtained samples of fusel oil from different distilleries, and selected two for complete analysis. One was produced in the manufacture of grain spirit and the other in the manufacture of molasses spirit.

3520. I thought there was no molasses spirit produced in this country; is there any?—Yes; near London molasses are used for the manufacture of spirits.

3521. There is a manufacture of spirit from molasses?—Not exclusively.

3522. But molasses is mixed with it?—It is used alone as a separate material.

3523. Is that for the purpose of making whiskey?—No, a neutral spirit. One was produced in the manufacture of grain spirit, and the other in the manufacture of molasses spirit. The fusel oil from the grain spirit contained only ·03 per cent. of free acid, and the compound ethers amounted to 1·66 per cent., consisting chiefly of acetic ether.

3524. And as to the alcohols?—The alcohols of the fusel oil were converted into their corresponding acids and formed into a baryta salt, which, on fractionation, yielded results which, when adjusted and calculated on the weights of the several fractions, showed the composition of the fusel oil to stand thus:—

Amylic alcohol	- -	42·2 per cent.
Butylic „	- -	33·4 „
Propylic „	- -	18·9 „
Ethylic „	- -	5·5 „

3525. Will you tell us the amount which resulted from the examination of the molasses spirit?—The fusel oil from the molasses spirit was experimented upon in the same way as the fusel oil from the grain spirits, with the result that it was found to contain 0·19 per cent. of free acid and 3·57 per cent. of compound ethers, consisting of acetic ether; and the alcohols were found to stand thus:—

Amylic alcohol	- - -	36·0 per cent.
Butylic „	- - -	42·0 „
Propylic „	- - -	13·0 „
Ethylic „	- - -	9·0 „

3526. Then in the molasses spirit there was less amylic and considerably more butylic alcohol than in the grain spirit?—Quite so. In the first, the amylic alcohol predominates; in the second, the butylic alcohol predominates.

3527. Then amylic predominates in the fusel oil of grain and butylic in the fusel oil of molasses?—Quite so. The propylic alcohol in both fusel oils is low as compared with the amylic and butylic alcohols, but this may be accounted for by the fact that, according to the results of our experiments, the higher alcohols contained in patent-still spirits consist almost entirely of propylic alcohol, and this appears in perfect agreement with the conditions which

Chairman—continued.

prevail in the condensation of the spirit in the upper portions of the rectifying column of the patent still.

3528. Let us understand this, for that is a very important difference if it is established. You say that the fusel oil being separated and skimmed off in the patent still, the whiskey or spirit produced does not contain much amylic alcohol, but chiefly propylic?—Yes.

Sir *Henry Roscoe.*

3529. Because the propylic alcohol is soluble in water, or more soluble in water than the amylic?—It is of a lower boiling point.

Chairman.

3530. And passes over with the distillation?—Yes; of course we know by the atomic weight of the acid too that it must consist chiefly of the propylic and butylic.

3531. Is your statement that the patent-still whiskey contains chiefly propylic alcohol, and not amylic, the result of one analysis or of many analyses?—Of many analyses of the spirits.

3532. Of the whiskeys?—Yes, of the spirits; but only of two analyses of fusel oil, showing that the propylic is in less proportion. I may point out that the atomic weight of the acids derived from the higher alcohols in patent-still spirits ranges from 75 to 80, whereas the atomic weight of the mixed acids derived from the pot-still spirits ranges about 88.

3533. And have you found any of the fatty acids, such as palmitic and oleic acids, in patent-still feints?—We have also determined the general composition of the fusel oil recovered from what is called the "Hot Feints" of a patent still, and which is condensed towards the bottom of the rectifying column. These are remarkable for the amount of alcohol compounds of palmitic and oleic acids which they contain, and which are no doubt derived from the vegetable fats contained in the grain used in the production of the fermented wash. As the steam passes through the descending wash in the apparatus the fats become decomposed, and the fatty acids uniting with ethylic alcohol form compounds of palmitate and oleate of ethyl, which were found to compose nearly 30 per cent. of the whole volume of the fusel oil which had condensed at the bottom of the rectifying column of the apparatus.

3534. That is a very large quantity?—A third of it nearly. This is some of the fatty acids separated from the compound ether (*producing a bottle*).

3535. These are the acids that are found in the oils of the palm and the olive?—Yes; quite so.

3536. Are these fatty oils also found in pot-still whiskies; have you been able to detect them in pot-still whiskies?—Yes. At this point it may be desirable to bring under the notice of the Committee the fact that most whiskies are found to contain minute quantities of these fatty ethers, and that they appear to possess great stability, as we have found them present in the spirits six years old which we have examined. That bottle marked A 1, which I passed round to the Committee, and which I should have kept until now, contains a globule of a fatty compound ether.

Chairman—continued.

3537. What is that from, pot-still?—That is from a pot-still whiskey six years old.

3538. Now, have you followed these experiments out by examining the composition of the pot still, and of the patent-still whiskies before casking?—I have.

3539. And after casking?—Yes. In order to ascertain the condition of both the pot and patent-still spirits, as produced at different distilleries before the same are put into casks, we obtained a sample of pot still spirits from each of nine distilleries, and five samples of patent-still spirits from five distilleries.

3540. I believe you have a table on this point?—Yes; the table is as follows:—

Percentage of Strength Over Proof.	Percentages on Proof Strength of		
	Free Acid, as Acetic.	Compound Ethers.	Higher Alcohols.
27·3	·0038	·0276	·109
25·2	·0024	·0225	·109
24·3	·0029	·0311	·110
25·6	·0038	·0154	·122
48·8	·0048	·0307	·109
13·7	·0095	·0340	·105
11·7	·0086	·0331	·104
52·9	·0031	·0322	·110
47·1	·0024	·0401	·078

3541. There the higher alcohols are uniform?—They are.

3542. They vary from ·078 to 0·122?—Yes.

3543. Are the compound ethers constant or variable?—They are variable.

3544. They vary from ·0154 to ·0401 in the pot-still?—Quite so.

3545. And the free acids, calculated as acetic, how do they vary?—They vary to some extent, but are fairly uniform. Will you allow me to make my comments on that table?

3546. Certainly?—It will be noticed that the proportions of the higher alcohols in the nine samples approximate very closely to each other. The percentages of free acid and compound ethers are results which are liable to vary, as already stated, according to the acidity of the wash; and consequently a considerable divergence in these bye-products, particularly in the compound ethers, might be expected in the spirit produced at the different distilleries. In this series of samples, these bye-products might be expected to be at their minimum, as the spirits were produced in the month of January, when, owing to the cold weather, the wash would be likely to contain least acid. And I would desire to call special attention to the smallness of the free acid in new spirits as shown by the analysis of this series of samples; there is not one in the second place of decimals; they are all in the third place of decimals.

3547. You have made a similar analysis in regard to patent-still spirits?—I have.

3548. Will

Chairman—continued.

3548. Will you put in the table and make your observations upon it?—The table is as follows:—

Percentage of Strength Over Proof.	Percentages on Proof Strength of		
	Free Acid as Acetic.	Compound Ethers.	Higher Alcohols.
65·6	·0022	·0106	·036
66·9	·0036	·0337	·036
25·3	·0048	·0140	·027
67·2	·0021	·0158	·033
66·8	·0014	·0010	·010

3549. What observations have you to make upon that table?—It is well to draw attention to the high proportion of compound ethers in the second sample, which is ·0337. We have had several samples of patent-still spirits from this distillery, and in all we have found the compound ethers unusually high, and it appears that the spirit produced there has a reputation of its own.

Mr *Boord.*

3550. Is it English?—Scotch. The higher alcohols it will be noticed vary but little in the five samples. In the patent-still spirits the equivalent of the acids produced by the oxidation of the alcohols corresponds mainly to propylic alcohol, or a mixture of propylic and butylic alcohols, and there is reason to believe that the next higher alcohol, amylic, is almost absent. This result is in agreement with the analysis of the fusel oil obtained from the patent-still, which shows a marked deficiency in propylic alcohol as compared with the proportion of the next two higher alcohols.

Chairman.

3551. Having made these experiments upon fresh pot-still whiskies and patent-still whiskies, have you examined these when they have been aged?—Yes. The next series of experiments which I have to lay before the Committee relates to the changes which take place in spirits by keeping. To determine this important question we obtained three series of samples of bonded pot-still spirits from three different distilleries, extending over a period of six years; and we obtained the like series of samples of patent still spirits from two distilleries. The period selected ranged from 1884 to 1890, inclusive.

3552. That is six years?—Quite so; and the time of warehousing chosen was the early part of the year, with a view to uniformity of conditions.

3553. Were they all warehoused at the same strength over proof?—In the first two series the spirits were warehoused at a strength of 11 over proof, and in the third series they were warehoused at 25 over proof. Each sample was tested for strength, free acid, compound ethers, higher alcohols, and furfurol. The free acid has been calculated as acetic acid, and the compound ethers as acetic ether, and the percentages have been calculated on the spirits at proof strength.

Chairman—continued.

3554. And you have put in the table as the result?—As the results of the analyses.

3555. From 1884 to 1890?—Yes. The results of the examination of the first series of pot-still spirits stand thus:—

Pot-still Spirits.

Year.	Percentage of Strength Over Proof.	Percentages on Proof Strength of		
		Free Acid as Acetic.	Compound Ethers.	Higher Alcohols.
1890 -	9·5	·017	·072	·097
1889 -	8·5	·012	·032	·122
1888 -	7·1	·014	·041	·104
1887 -	7·2	·019	·031	·106
1886 -	4·8	·019	·055	·109
1885 -	4·1	·019	·064	·119
1884 -	0·5	·033	·077	·124

3556. Have you any remarks to make upon the result of this table?—Yes. The tendency is for the free acid to increase in the cask; but from a comparison of the results, there can be little doubt that the condition of the cask at the time the spirit is placed in it, determines the cause why in some cases an increase is found in the amount of acid. When an empty cask containing a little spirit in the wood is exposed to the air for some time acetic acid is certain to be formed.

3557. Now, as to the compound ethers, do they show a variation in aging?—The compound ethers, from the very nature of the conditions under which they are formed, are most unlikely to agree in quantity in the spirits produced each period. In the seven samples in question the compound ethers are not found to be identical in any two of them, but an examination of the results leads to the conclusion that no change has taken place in the proportion of compound ethers in the spirits during the time they have been in warehouse. The compound ethers found in the spirits produced in the year 1890, practically correspond with the quantity found in the spirits produced and warehoused in the year 1884.

3558. Then your conclusion is that during the process of keeping for six years the compound ethers have not substantially altered?—Practically they remain the same.

3559. Now as to the higher alcohols?—In the case of higher alcohols there is a close agreement in the quantity found in each of the seven samples, and the results are confirmatory of the view that these alcohols remain practically unaffected in the process of aging whiskey. The percentages found in the older samples are equal to, if not greater than, the amounts present in the newer ones.

3560. Then the conclusion you would draw from that would be that in the process of aging, it is neither the ethers nor the alcohols which undergo change?—Quite so. If the higher alcohols had been changed into compound

Chairman—continued.

ethers a very marked increase in the amount of the latter would have been noticed, and as the determination of these ethers in spirits can be conducted with the greatest precision, a perfectly independent confirmation of the stable character of the higher alcohols is thereby afforded.

3561. That is, you do not find the higher alcohols diminished, and you do not find the ethers increase, and therefore neither have undergone any change?—There is no evidence of the compound ethers having increased, or of the higher alcohols having decreased.

3562. Did you try to confirm these results by further experiments?—Yes.

3563. Yes; will you give us that?—I have two series yet to deal with of the warehoused pot-still spirits. The results of the examination of the other two series of samples are confirmatory of the conclusions to which the results in the first series lead. The results of the analysis of the other two series are as follows:—

Year.	Percentage of Strength.	Percentage on Proof Strength of		
		Free Acid as Acetic.	Compound Ethers.	Higher Alcohols.
1890 -	9·40 o.p.	·0132	·0273	·101
1889 -	7·6 o.p.	·0134	·0245	·095
1888 -	7·9 o.p.	·0156	·0294	·108
1887 -	5·9 o.p.	·0385	·0398	·114
1886 -	5·6 o.p.	·0182	·0250	·115
1885 -	3·3 o.p.	·0163	·0426	·097
1884 -	3·7 u.p.	·0199	·0366	·105
1890 -	22·3 o.p.	·0078	·0201	·107
1889 -	21·6 o.p.	·0099	·0188	·115
1888 -	19·2 o.p.	·0060	·0206	·121
1887 -	22·0 o.p.	·0069	·0231	·123
1886 -	20·8 o.p.	·0278	·0276	·101
1885 -	15·4 o.p.	·0166	·0168	·117
1884 -	17·0 o.p.	·0062	·0210	·121

3564. What is your remark upon these tables?—In the first of these two series there is a general uniformity in the amount of free acid in the samples, with one exception, and this exception is obviously due to the condition of the cask at the time spirits were put into it. The compound ethers are somewhat variable in quantity, and are lower in amount than in the case of the first series. The higher alcohols are very uniform in quantity throughout, and the inference to be drawn from the results is that no alteration has taken place in the quantity originally present in the spirits.

3565. Either of the higher alcohols, or of the ethers?—Quite so. Now, with regard to the third series, the free acid is generally lower than in the first two series.

Chairman—continued.

3566. How do the series differ one from another; the three series?—They are spirits from three different distilleries, and the samples represent separate warehousings during six years.

3567. From different distilleries?—From different distilleries.

3568. These are all pot-still?—They are all pot-still.

3569. They are quite different spirits; to see if the same thing is found in different spirits of different manufacture?—Yes.

3570. Then the third series?—In the case of the third series, the free acid is generally lower than in the first two series, and the compound ethers are also lower; and it will be noticed that these in the two oldest samples, 1884 and 1885, correspond practically in quantity with the proportions in the newest samples, 1890 and 1889; thus bearing out the general conclusion that no compound ethers are formed in spirits in the process of aging. It may be important to point out that the spirit produced at the distillery from which this series (that is, No. 3) of samples was obtained is of great uniformity of composition, and the conclusion to be drawn from the per-centages of the ethers is of special importance. The per-centages of higher alcohols found in this series are also important in favour of the view that these remain unaltered in the spirits. The proportions of higher alcohols found in the three oldest, 1886, 1885, and 1884, practically correspond with the quantities contained in the samples for 1890, 1889, and 1888.

3571. Now you have finished with your evidence relating to that examination of pot-still spirits kept from 1884 to 1890. Now, have you made similar experiments with regard to patent-still spirits?—I have now to submit to the Committee the results of the examination of two series of samples of patent-still spirits kept in warehouse for different periods. As in the case of pot-still spirits the strength, the free acid, the compound ethers and higher alcohols, were determined in each sample. The results of the examination of the first series stand thus:—

Year.	Percentage of Strength.	Percentages on Proof Strength of		
		Free Acid as Acetic.	Compound Ethers.	Higher Alcohols.
1890	8·9 o. p.	·0044	·0110	·028
1889	23·5 o. p.	·0039	·0129	·033
1888	7·5 o. p.	·0111	·0130	·023
1887	2·0 u. p.	·0061	·00714	·030
1886	6·3 o. p.	·0056	·00094	·029
1885	4·9 o. p.	·0114	·0067	·030
1884	2·0 u. p.	·0098	·0194	·026

3572. And what are your conclusions from an inspection of these results?—An inspection of these results shows that the free acid, compound

Chairman—continued.

pound ethers, and higher alcohols are uniformly considerably lower than the proportion of these bodies present in the pot-still spirits. The higher alcohols are about one-fourth the proportion, and the results generally bear out the conclusion that no change has taken place in the compound ethers and higher alcohols whilst the spirits have been in warehouse. The second series is not complete, as we were unable to get samples representing the years 1886 and 1888. I would like to draw the special attention of the Committee to No. 5 of the first series here, where the compound ethers are still in the fourth place of decimals, ·0009.

Sir *Henry Roscoe.*

3573. Are you speaking of patent-still or pot-still now?—I am dealing now with the two series of patent spirits, No. 5, in the last table, where the compound ethers are still as low as ·0009, not even in the third place of decimals.

Chairman.

3574. But what conclusion do you draw from that?—That if any appreciable quantity of compound ethers had been formed in the spirits during the time they were in warehouse there would have been more than that. Then the table showing the results of the examination of the second series is as follows:—

Year.	Percentage of Strength.	Per-centage on Proof Strength of		
		Free Acid, as Acetic.	Compound Ethers.	Higher Alcohols.
	Overproof.			
1890 -	11·4	·0021	·0125	·037
1889 -	9·7	·0066	·0173	·025
1888 -	—	—	—	—
1887 -	24·8	·0058	·0096	·022
1886 -	—	—	—	—
1885 -	11·1	·0216	·0189	·037
1884 -	6·0	·0079	·0132	·019

3575. Have you had an opportunity of examining aged whiskeys, and similar whiskeys kept in bottle?—I have; but if you will allow me I would like to make an observation with reference to this table of the second series of the patent-still spirits. These results are very uniform, and indicate a system of effective control over the manufacture; they go distinctly to show that the higher alcohols have remained unchanged in the spirits.

3576. Were these patent-still spirits which you examined made in England, Scotland, or Ireland?—One series in England and one in Scotland.

3577. Did you examine whiskies which have been kept in cask for some time and similar whiskies kept in bottles?—Yes, I obtained from a Scotch distillery two samples of spirits from casks warehoused in 1887, and representing two separate periods of manufacture; and, at the same time, through the courtesy of the distiller, I received two samples of practically the same spirit which had been kept in bottles. I say practically the same, because the contents of the bottles represent a mixture of two periods, but the two products were obviously similar in character, and probably it was on this account they were mixed. The results of the analyses stand thus:—

Chairman—continued.

—	Year.	Percentage of Strength.	Free Acid.	Compound Ethers.	Higher Alcohols.
1st Pair:					
Cask - - -	1887	7·5 O. P.	·0257	·0393	·1023
Bottle - - -	„	9·0 O. P.	·0088	·0404	·1024
2nd Pair:					
Cask - - -	1887	9·0 O. P.	·0276	·070	·1000
Bottle - - -	„	10·3 O. P.	·015	·066	·1007

3578. Will you explain what the conclusion is that you draw?—These results, which are in close agreement, are of great importance, as it is admitted that no change will take place in spirits in bottle, and both the compound ethers and higher alcohols in bottles and casks are practically identical. In each case the free acid in the spirits kept in cask is higher than that in bottle; but, whether this is due to oxidation after the spirits were put in the casks, or whether due to the condition of the casks before the spirits were put in, is a matter of not much moment. I am of opinion, however, that the latter is the true explanation of the increase of acid.

3579. And the ethers were not very different?—They are not; they practically agree.

3580. And the higher alcohols are practically the same?—Quite so.

3581. Then what conclusion do you draw from that with regard to bottle and cask whiskies?—That no change took place with regard to the compound ethers, or higher alcohols, either in the bottle or the cask.

3582. Except as regards the acid?—Except as regards the acid in the cask.

3583. Now we come to furfurol and the higher alcohols. You gave us evidence about furfurol the last time you were before us; have you been examining into furfurol more minutely since?—Yes, we have. In my former evidence I explained a sulphuric acid colour test which we applied to distinguish between pot-still and patent-still spirits, and I also pointed out that the test served as an indicator in some degree of the extent to which the ordinary bye-products were present in a whiskey. We have since worked out this test in a fuller manner, and we find that furfurol in ethylic alcohol free from the higher alcohols will yield no colouration with the sulphuric acid test. Having observed this, we soon found that the test served two purposes when

Chairman—continued.

when applied to a spirit. It proved the presence of furfurol and also the presence of some of the higher alcohols. By adding, therefore, sufficient furfurol to patent-still spirit, and applying our test, we can not only determine the presence or absence of the higher alcohols, but by preparing standard solutions containing known quantities of the higher alcohols, we can estimate with a considerable degree of accuracy the extent to which these alcohols are present in spirit, and the results are of no little importance as affording means of checking within narrow limits the proportion of higher alcohols obtained by the chloroform process.

3584. In other words that you can control an analysis of a pretty accurate character by the colour test?—Yes, exactly. In like manner in the case of pot-still spirits, by adding furfurol thereto and increasing the quantity naturally present so as to obtain the maximum colour obtainable by the higher alcohols, we have a means of estimating, by the sulphuric acid test, the quantity of higher alcohols in a pot-still spirit. The proportion of furfurol in pot-still spirit was approximately estimated by means of the acetate of aniline test by preparing standard solutions with different percentages of furfurol added thereto, and using such solutions for comparison.

3585. And how much furfurol did you find in pot-still spirits in that way?—By the application of this test we found that the furfurol in whiskey varies from three to five-thousanths of one per cent.

3586. Where does that furfurol come; did you find it, for instance, in low wines?—Yes, certainly.

3587. Is it in the foreshot?—Yes.

3588. Then it is all through?—It is all through the products.

3589. In the whiskey also?—And in the whiskey also. In the course of our analysis of the different series of bonded and unbonded spirits we checked the determinations of the higher alcohols by adding an excess of furfurol to the pot-still spirits and applying the sulphuric acid test and comparing the results with standards previously prepared.

3590. Now we have had our lecture; I am now coming to the practical application of the lecture; as to the maturing of whiskey you admit that the whiskey mellows by age?—I do.

3591. And improves by keeping?—And a certain amount of improvement takes place by keeping.

3592. But if your experiments are right, which no doubt they are, with regard to the higher alcohols and the compound ethers, the mellowing is not on account of any change in the higher alcohols or their conversion into ethers?—No.

3593. What then do you think it is owing to?—In the process of drying malt with coke or peat the grain becomes more or less impregnated with pyro and creosotic bodies, some of which are very offensive in odour. If a mashing of malt is prepared, and to the wort or extract sufficient spirit is added to produce a 10 per cent. solution, corresponding to a distiller's wort and the mixture is distilled at a moderate heat until the spirit is recovered, the distillate will be

Chairman—continued.

found to contain bodies which possess a very unpleasant odour combined with a malt flavour. These bodies may become modified during fermentation, and afterwards in the still; but some of them are likely to get into the spirit in some form or other accompanied by the malt flavour. These bodies are easily oxidised and rendered practically odourless by the application of an oxidising agent.

3594. Will you show us some samples?—I will produce a sample. This has been made for two months, and has been somewhat modified by keeping; it is obtained from a malt extract in the way I have described (*handing a bottle to the Committee*).

3595. Are you speaking of pot-still now?—That is obtained from the extract of malt by adding sufficient spirit to make up the quantity to 10 per cent. of proof spirit in it.

Sir *Henry Roscoe.*

3596. This is not from pot-still?—No; that is from extract of malt.

Chairman.

3597. And did you follow that out to see whether these empyreumatic bodies were in pot-still whiskies?—Yes. Again, in the process of the distillation of pot-still spirit the fire, as already stated, is applied directly to the bottom of the still, and considering the large quanitity of organic matter contained in the fermented liquid, such as the extractive matter of the grain and the albuminous and other products derived from the yeast; the production of pyro compounds becomes inevitable, from the great heat applied to the metal of the still. Furfurol, for instance, is an example of one of these bodies which is produced, and found in the finished product. The presence of these bodies exercises a considerable, if not the main, influence upon the flavour and character of a whiskey. If you take four or five ounces of new pot-still spirit, and put it into a glass separator, and add to it two or three times its volume of a saturated solution of crystallised chloride of calcium; and extract with ethylic ether, you will deprive the spirit of all its special character and leave only the vinous odour of the alcohol. I produce two samples to show this.

3598. That is to say you are going to take out these pyro compounds and show that the whiskey becomes simply alcohol and water; did you not take out a portion of the ethers?—I took a portion of the higher alcohols also out, and the ethers, that is the spirit after treatment, so that it is entirely inodorous (*handing in a bottle*). That (*producing another bottle*) is a sample of new spirit before extraction by ether.

3599. What does D 1 on the bottle mean?—They are private marks.

3600. What is it?—That is a sample of new spirit before extraction.

3601. Where is that after extraction?—This (*pointing to another bottle*).

3602. If you allow the ether to evaporate?—If now the ether extract with the addition of a few drops of water, is placed in a small bottle like one of those with a little cotton wool in the mouth, and the bottle kept in a moderately warm atmosphere, in the course of

Chairman—continued.

30 or 40 hours the ether will have evaporated and the residue will include the bodies which the ether extracted, and which imparted the predominating character to the whiskey.

3603. Have you got that?—We have (*producing two bottles*).

3604. This is pot-still whiskey?—Yes; quite so.

3605. Now have you made experiments with old bonded whiskey to see whether these pyro compounds are in equal quantity in old bonded spirits as compared with new?—Yes. If you take a series of samples of the same whiskey bonded for different periods, and prepare an ether extract from each, it will be found that, with the increase of the time in warehouse, the odour of the extracts will become more and more agreeable. In other words, the unpleasant smell gradually becomes less and less evident, and allows the pleasant flavours of the more aromatic compounds of the whiskey (which, as is well known, differ in character according to the distillery at which the whiskey is produced) to manifest themselves. I produce samples to illustrate this.

3606. But before we go to that, let us fully understand what you mean: you have already stated that the higher alcohols do not decrease in aging; that the compound ethers do not increase or decrease either in aging; but that you think these empyreumatic compounds similar to creosote and other things do vanish either by evaporation or by oxidation, or some other means, during the process of aging?—Yes, by certain changes which they undergo. There are grounds also for believing that not only do the more unpleasant portions of the pyro-compounds gradually change, but that some of them become altered into derivative principles, having an agreeable flavour. It is probable that the furfurol, like some other aldehydes, is changed in part into a condensation product, and indeed a change of something of this kind would appear to be indicated by the production under suitable conditions of a yellow colour, with acetate of aniline in old whiskey, instead of the carmine tint obtained with normal furfurol. A change of this kind is indicated only to a slight extent in most spirits of from one to two years old.

3607. That, of course, is an important observation if it is proved that the furfurol by aging alters its character so that its pink tint becomes changed into a yellow?—When the aniline is first added to the spirit a yellow tint is produced instead of the ordinary pink tint when the normal furfurol is there pure and simple.

3608. Showing that a change has taken place?—That a change of some kind has taken place; and we conclude that a portion of the furfurol has undergone a change of that kind. That is a new whiskey, and this is an old one (*producing two bottles*). These are an illustration of the effect of adding the acetate of aniline to an old and new whiskey.

3609. That is showing that the furfurol has changed in the old?—Yes, but after a short time the pink begins to develop; though immediately on adding the acetate of aniline to each, the first effect is to produce a yellow tint.

Chairman—continued.

in the old whiskey, and the new whiskey will immediately show a pink tint.

3610. Have you any other indication of the change that has taken place?—Yes, there is some evidence of another change in the bye-products by the production of a yellow colour when an alkali is added to the colourless and freshly distilled old whiskey. This substance gives a yellow compound with barium, and possesses a pleasant balsam-like odour, and appears to be distinct from the resinous body produced by the action of an alkali upon an aldehyde. I propose to show this to the Committee. That is the effect of adding an alkali to an old whiskey, and there is a yellow tint; and *here* the alkali is added to a new whiskey, and there is no colouration whatever (*producing two bottles*). The old spirit has been freshly distilled in order to free it from any colour.

3611. Is the yellow the old or the new?—The old.

3612. Now just let me see if I quite understand your views; let me recapitulate; you said that in aging, the higher alcohols do not alter and that the compound ethers do not alter?—Yes.

3613. But that the pyro-compounds, the pyro-oils, or creosotic compounds do change, and that their change gives the mellowness to old whiskey?—Quite so.

3614. Are they in quantity sufficient to be weighed or estimated?—No; I hardly think they are.

3615. You have not been able to weigh them or get a percentage?—No; we have not. I would remark that the effect of keeping whiskey in casks appears, therefore, to affect only a minute and practically unweighable quantity of the flavouring constituents of the spirits, while the compound ethers and higher alcohols practically remain unchanged, at least within the range of an investigation of bonded spirits extending over six years.

3616. Now we will leave the pot-still and go to the patent-still spirits; have you any observation to make about them in regard to these pyro-compounds?—Yes. The results of the investigation also show that no change takes place in the process of aging in the compound ethers and higher alcohols in patent-still spirits; but they also show that this description of spirit is practically free from the pyro-compounds and other bye-products which occur in whiskey, and which in time undergo certain changes which affect more or less the character of the spirit. I am prepared to admit that there may be minute traces of some bodies present which may undergo a change in the direction of an improvement. But most of the samples of patent-still spirits which we obtained from the warehouses suggested the odour of wood, with a slight creosotic flavour; and it was evident that the spirit was sensibly affected by the substances which it had extracted from the cask. In some instances we could not account for the flavour and character of the spirit, and also for the presence of a trace of furfurol unless whiskey casks had been used; and on inquiry we found that in certain instances

Chairman—continued.

it was usual to use whiskey casks for storing patent-still spirit.

3617. Then have you found furfurol in patent-still spirits?—No.

3618. Now did you try ether extracts in the same way with patent-still spirits as you did with pot-still spirits?—Yes; we have prepared ether extracts of the samples of patent-still spirits which we obtained from the spirit stores before being put in cask; and I now produce two of these extracts in order to show the Committee that their odour is nearly of a neutral character, and that they are practically free from those bodies which we have reason to believe undergo change by the aging of the spirit (*producing two bottles*).

3619. If that is the case, would aging improve the patent-still spirits in any such proportion as it would do pot-still spirits?—No; I should say not.

3620. If you are right in regard to the pyro-compounds and the pyro-compounds not being there?—Quite so. I think the odour of them shows that there is little if any of the character of those bodies which are present in the ether extracts from the pot-still spirits.

3621. This is from the patent-still spirit?—Quite so.

3622. The ether extract?—Ether extract.

3623. Have you extended your inquiries to foreign spirits?—I have. There was one observation I was going to make, if you will allow me, before we come to that?

3624. Yes?—The several samples show considerable variations in the quantity of the compound ethers in the spirit obtained from the different distilleries, and may suggest that this difference may be produced by design according as the spirit is required for the use of the rectifier, or to be stored for the purposes of blending. That is in reference to the patent-still spirits.

3625. Now have you extended your inquiries to foreign spirits?—I have.

3626. How many samples of foreign spirits did you obtain?—Pardon me one minute. Here are ether extracts of old patent-still spirits which the Committee might wish to see (*producing two bottles*).

Sir *Henry Roscoe.*

3627. What we had before were new?—The new we had first; these are some of the old.

Chairman.

3628. How many samples of foreign spirits did you examine?—Seventeen samples of foreign spirits, as imported at the Customs; and the results show, with two exceptions, a great freedom from the higher alcohols, and that also in other respects the spirits approximate closely to a pure vinous alcohol. In the majority of instances the compound ethers are very low, and this fact taken in connection with the slight proportion of higher alcohols present indicates that the purifying process has probably been effected by means of both charcoal and alkalies.

3629. You are aware that in the distillation of foreign spirits they do not ever use a fire in pot-stills, but always use steam?—I did not know that.

Chairman—continued.

3630. We had evidence to that effect that they never use fire, but always steam in the distillation abroad. Two of the samples, Nos. 8 and 14 in the Table which I now produce, represent impure spirit unfit for potable purposes and answer to the more crude quality of spirit brought into this country for the purposes of methylation. No. 8 contains more than a half per cent. of compound ethers; that is a quantity more than 140 times greater than the proportion present in the next sample on the list. These two samples are also characterised by the presence of a marked proportion of aldehydes. They could not be blended with potable spirit without injuring the palatable character of commercial whiskey.

3631. But are they not imported for the purpose of making methylated spirit?—Yes, I expect so. The great majority of the samples afford no evidence that they are of such a character as would improve by keeping. The only distinctive feature in some of the purer samples is the presence of a slight creosotic flavour, and traces of tannic acid, no doubt caused by the spirit having been put into new casks. The keeping of a spirit for a length of time under such conditions would only tend to increase the creosotic character and amount of tannin.

3632. You put in a table of the analyses of 17 of these foreign patent spirits?—Yes, the table is as follows:—

—	Percentage of Strength Overproof.	Percentage on Proof Strength of		
		Free Acid as Acetic.	Compound Ethers.	Higher Alcohols.
No. 1 - - -	66·1	·0036	·0487	·009
„ 2 - - -	63·1	·0029	·0167	·009
„ 3 - - -	65·4	·0044	·0356	·009
„ 4 - - -	65·6	·008	·0186	·009
„ 5 - - -	55·0	·0085	·0148	·009
„ 6 - - -	65·2	·0065	·0032	·003
„ 7 - - -	68·2	·0028	·0016	·005
„ 8 - - -	66·3	·0043	·531	·06
„ 9 - - -	67·7	·0057	·0036	·004
„ 10 - - -	67·2	·0036	·0110	·006
„ 11 - - -	67·2	·0043	·0447	·009
„ 12 - - -	66·1	·0036	·0418	·009
„ 13 - - -	68·2	·0036	·0037	·003
„ 14 - - -	65·7	·0036	·0515	·04
„ 15 - - -	9·7	·0066	·0088	·003
„ 16 - - -	67·6	·0036	·0037	·003
„ 17 - - -	67·7	·0029	·0021	·003

Chairman—continued.

3633. Have you made any experiments with regard to brandy?—I have. I thought the Committee might wish to get some idea of the composition of genuine brandies, and I succeeded in getting two samples upon which I could rely, and these are the results:—

—	Percentage of Strength.	Free Acid.	Compound Ethers.	Higher Alcohols.
No. 1 - - - -	14·8 U.P.	·031	·049	·058
No. 2 - - - -	12·3 U.P.	·039	·026	·075

The percentages of these bye-products run very much in quantities like those found in whiskies, except that the higher alcohols are a little lower. Both the free acid and the acid radical in the compound ethers consisted of acetic acid, with traces of the acids corresponding to the higher alcohols. As in the case of whiskey, we have prepared two ether extracts, one of an old brandy, and one of a new one, which the Committee may like to examine (*producing two bottles*).

3634. But is it the fact that the old brandy is more yellow?—In the new brandy the extract is a little crude in odour, while in the other that has been kept for some years, it is more soft in odour, corresponding, apparently, to the change in the whiskey.

3635. Have you made any experiments in regard to rum?—Yes; we obtained two representative samples of rum, and analysed them in the same way as we did the whiskies and the brandy. The one is Demerara and the other Jamaica; and the results of the analyses stand thus:—

—	Percentage of Strength.	Free Acids.	Compound Ethers.	Higher Alcohols.
Demarara - - -	43·9 O.P.	·031	·078	·078
Jamaica - - -	21·6 O.P.	·049	·1621	·085

3636. Is it not remarkable in that analysis that Jamacia rum contains such a large quantity of compound ethers?—Yes, it contains more than twice the quantity that there is in the Demerara.

3637. The quantity in the Demerara is not much more than in ordinary whiskies in this country?—No, it corresponds with one of the series we had of whiskies from a distillery in Scotland.

3638. And in the higher alcohols, the proportions also correspond, do they not, to those in whiskies?—In the higher alcohols the proportions correspond to the percentages found in some whiskies also.

3639. Are you aware of a process that is now made a legal process in Switzerland and other countries called Röse's process, of determining the impurities in whiskey?—Yes, I am; but I am not aware of its being in operation in any country except Switzerland; France has not adopted a limit of quality yet, but it is in contemplation to do so.

Chairman—continued.

3640. Will you tell us what the process is?—Yes. The method is founded upon the action of chloroform upon a mixture of ethyl alcohol and the higher alcohols, by which it preferably absorbs the latter, since the solubility of these in water decreases proportionately with their rise in the alcohol series.

If a certain quantity of chloroform be agitated with a mixture of water and ethyl alcohol, the increase in the bulk of the layer of chloroform depends upon the temperature and the proportion of the mixed substances.

If, then, the absorbing power of chloroform upon a mixture of alcohol and water, having a known specific gravity, be determined, and if, in this mixture, a certain quantity of ethyl alcohol be replaced by a corresponding quantity of some higher alcohol, such as amylic, in such a manner that the specific gravity of the liquid be not altered, then it is found that the absorbing power of the chloroform is greater than before. Moreover, the amyl alcohol dissolved by the chloroform has itself an absorbing action on ethyl alcohol, and of such a kind that the proportion existing between the amyl alcohol present and the ethyl alcohol taken up, remains always constant. Hence, if the absorbing power of chloroform be known for a mixture of water and alcohol of a certain specific gravity, and for a mixture containing the same quantity of water, but in which one-tenth per cent. by volume of ethyl alcohol has been replaced by one-tenth per cent. volume of amyl alcohol (the specific gravity not having sensibly altered), we have, in the increase in the chloroform layer, the necessary data for calculating the quantity of amyl alcohol contained in any mixture whatever of water, ethyl alcohol, and amyl alcohol.

As the result of a great number of experiments, it has been found that a spirit of a specific gravity of ·96545 is most suitable for making the experiments, chiefly for two reasons:

(1.) Because the quantity of alcohol which the chloroform dissolves out of a spirit of this strength increases the volume of the chloroform to a comparatively small extent; and

(2.) Because with a spirit mixture of this strength, a satisfactory separation of the chloroform layer can be obtained.

Tables have been constructed, founded upon the results of experiments for showing the percentages of impurities in spirits, according to the increases produced in the volume of the chloroform by amyl alcohol.

The experiments are conducted at a temperature of 60° F., and great precautions are taken to maintain all the liquids at this temperature.

The graduations of the tube or separator are effected at 15° c., or 60° F.; 20 cc. of chloroform are first put in, and this should read exactly 20 cc. in the tube; 100 cc. of spirit of the strength above stated are next introduced, and then 1 cc. of sulphuric acid of specific gravity, 1·286. The tube is next placed in a bath till it

Chairman—continued.

acquires a temperature of 60° F., and it is then taken out and thoroughly shaken with rapid movements, and afterwards replaced in the bath for half-an-hour, and the chloroform layer is then read off.

In Switzerland, the limit laid down is ·2 per cent., an absolute alcohol, which upon proof spirit would be equal to ·12 per cent. We obtained Röse's tube or separator, and the various appliances for making the experiments, and I thought it would be useful to ascertain how far patent-still spirits and the whiskey produced in this country would answer to the test.

3641. And did you find the correspondence close?—In pot-still spirits, after saponification and removal of the compound ethers, we found the impurities varied from 0·132 up to 0·208 upon proof spirit; that would be beyond the limit of 0·12 per cent. That was with the exception of one sample, which showed only ·094 which would be within the limit. Then we made a good number of experiments with patent-still spirits and the percentages of impurities found varied from nil to ·047 per cent. Therefore all the patent-still spirits which we examined would be considerably within the limit of 0·12; in fact, some of them showed no increase whatever.

Sir *Henry Roscoe.*

3642. That is to say within the limit of what is permissible in Switzerland?—Quite so.

Chairman.

3643. In Switzerland the limit laid down is 0·2 per cent?—Yes, on absolute alcohol.

3644. Which, upon proof spirit, would be about 0·12?—Yes.

3645. Then you think Röse's test is a pretty reliable one?—It is a little rough; it does not discriminate the ingredients.

3646. But is it much easier than the other?—Certainly, you can test by it several samples a day. I should point out that the chemist to the French Government said that if they adopted a standard in France, they would not apply it to brandy.

3647. But to the coarser spirits?—To the ordinary spirits.

Sir *Henry Roscoe.*

3648. I am sure the Committee are much obliged to you for the very interesting communication you have given to them, and I think the chemists may be said to be obliged to you for the investigations which you and your colleagues have made in this question. I should like to say that the outcome of your investigations appears to be that neither the compound ethers nor the higher alcohols are in any way altered by keeping in bond?—That is so.

3649. That the acids are somewhat altered, inasmuch as the higher quantity of acid is found in the whiskies which have been kept for some time, and that you attribute that rather to the action of the cask itself than to any change which has taken place in the acid from the beginning, or any change of the acid in the whiskey itself; is that so?—That is so.

Sir *Henry Roscoe*—continued.

3650. And you tell us that the changes which undoubtedly do occur in the aging of whiskey are due to the changes of these empyreumatic oils which you have pointed out to us are decomposed on keeping, though the exact mode or the exact interpretation of that change you have not been able to give us?—That is so.

3651. Now I should like to understand distinctly from you whether the views you have put before us are entirely new, or whether any other chemist has ever made a similar series of observations to those which you have so clearly brought before us to-day; whether any other chemist has ever made similar observations corroborative or otherwise of your results?—I am not aware of any.

3652. Your results are the only ones I understand, the first series of what I may call a scientific examination of the question of the aging of whiskey?—That is so. The only remark or observation I heard in that direction was from Mr. Ross, a distiller in Ross-shire.

3653. And will you tell us what his results amounted to?—He brought in some samples of the fatty compound ethers which he had scraped from the inside of the worm and also from the Low Wines charger; and these fatty compound ethers have a great tendency to absorb, or to take up the unpleasant smelling bodies; and he said that by keeping these bodies or oils for some time they become less offensive in odour; and he thought that had something to do with the aging of the whiskey. It is the only expression of a view of that kind I have heard from any one.

3654. And that so far as it goes would be corroborative of your evidence?—It would.

3655. May I take it that these results which you have obtained will indicate to the manufacturer certain sources of error or sources of impurity which come into his product which may in consequence of your investigation be avoided?—I do not know that he will do that, because then he would alter the character of his whiskey.

3656. But I am referring to these empyreumatic bodies, these fatty bodies, which you have said are found in the wor?m—Yes, I think the fatty ethers most objectionable, but if the distiller took means to prevent all the pyro and creosetic bodies getting into the spirit, he would not get the same character of spirit produced by aging that he does now; because as I have pointed out these bodies do undergo a change and became somewhat aromatic, and very likely they would lose the advantage of that result if they were to try to get rid of all these pyro-compounds.

3657. Then I understand that the result of your investigation comes to this: that the change which is effected in the aging is due to the presence of these empyreumatic oils and bodies contained in the pot-still whiskies?—That is so.

3658. That these empyreumatic bodies are not, according to your results, contained in the patent-still spirit?—That is so.

3659. And that therefore any change which takes places by the bonding is a change that entirely takes place in the pot-still whiskey and not in the patent-still?—The same bodies are not present in the patent-still spirit to undergo a change.

Sir *Henry Roscoe*—continued.

3660. If these bodies are not present then no change of the kind can take place?— No, except that there might be some traces present.

3661. Then you have given us a clear account of your mode of procedure in certain respects; that is to say, the tests you have employed; but perhaps it would be advisable if you would lay before the Committee a short account of the methods you employ now; probably it is, as far as we can learn, the best method for the determination of the fusel oil, that is first, of the higher alcohols; secondly, of the free acids, and thirdly, of the compound ethers. If you could send in to the Chairman a short account of the methods which you use for these separate determinations, it might be of value to have it put down in black and white?—If the Chairman thinks fit I shall be pleased to do so.

Colonel *Hill.*

3662. I think you said that some spirit was distilled from molasses near London?—Yes.

3663. I think you also said that it was not fit for drinking?—No, I did not say that.

3664. Do you consider it a wholesome spirit?—I have not examined the spirit; it is only the fusel oil derived from the manufacture of the spirit.

3665. You have not examined it to ascertain whether is is wholesome or not?—No, I have not.

3666. You told us also that you examined some 17 specimens of foreign patent spirits?—Yes, 17 specimens, but I do not know the process of manufacture.

3667. You do not know their origin, perhaps?—No, I only got them from the Customs as imported.

3668. It is evident that whiskey, the pot-still whiskey when kept, changes not only its colour but its smell; do you consider that it becomes any more wholesome in consequence of that?—I am not prepared to say that; it becomes less nauseous.

Sir *Edward Harland.*

3669. You said to the Chairman that there was more fusel oil in the product from molasses than from grain spirit?—I was comparing the composition of the fusel oil derived from raw grain and that from molasses. The amylic alcohol I said predominated in the fusel oil derived from raw grain, whereas in the fusel oil derived from molasses, the butylic alcohol predominated.

3670. But the total quantity of fusel oil remained about the same in the molasses?—The two varied in composition; that is all.

3671. But its total quantity was about the same; the total percentage of fusel oil from molasses was about the same as from raw grain?——

Chairman.] Thirty-six per cent. of amylic alcohol in the fusel oil from molasses as against 42 per cent. in that from raw grain.

Sir *Edward Harland.*

3672. With reference to the test for age you have just shown us, does it appear that your best test, so far as whiskey is aged, is really the colour test?—Yes, the old whiskey produces those reactions, which appear to apply only to old whiskey.

3673. You therefore have found the colour test more reliable than any other mode of testing?—It is the only mode of testing that we have found affording indications of any change.

3674. With regard to the method of testing in Switzerland by the public authorities, do I gather from you that the finest old malt whiskey would not pass muster in Switzerland, whilst the patent-still whiskey of the very lowest kind so far as the palate is concerned would be considered A1?—I do not know to what spirit they apply it, whether they have got anything corresponding to our whiskey. They have got Geneva, which would correspond, in some degree, to our whiskey, but I do not know whether they apply the test to an article corresponding to whiskey or not, or whether only to ordinary plain spirit.

3675. What would be the result if the same test were applied to our whiskey?—If the same test of purity were applied to pot-still whiskey it would be found beyond the limit.

3676. Do you happen to have any knowledge whether any high class distillers of whiskey in this country have any sale of their whiskey in Switzerland in consequence of this?—I am not aware; but my impression is that they apply the limit to the local distilleries only.

3677. Then, upon that principle, it would have the effect, you would suppose, of encouraging the production of patent-still spirit rather than the production of pot-still spirit with any particularly delicious flavour in it?—If they had a national spirit corresponding to whiskey in this country, and brandy in France, I should say that they would not apply that limit of purity to such a spirit.

3678. Then that is a description of test which you would certainly say would not be applicable or of any service in this country?—If you want to maintain the present character of the whiskey it would not be applicable.

3679. Just for a matter of information, will you kindly say (perhaps I show my ignorance by the question) whether you do not think that the name "higher alcohol" is a misnomer. It seems to me to be very misleading from all the descriptions of the chemical ingredients in that expression "higher alcohol"; would it not be more appropriate to call it a lower alcohol; what is the origin of that name?—It is called higher because it has a higher molecular weight.

Mr. *M'Ewan.*

3680. Do you consider that the empyreumatic bodies are caused by the drying of malt?—Partly, and partly by the appication of heat to the wash stills in the productian of the low wines. The furfurol is almost entirely produced in the distillation of the wash. There is a trace of furfurol in the malt.

3681. Then are these bodies also produced in the patent still?—No, because the distillation is carried on by steam; the steam meets the wash coming down in one of the columns of the apparatus and causes the liquid to boil and the alcoholic vapour to pass off.

3682. Do you consider that the improvement

Mr. *M'Ewan*—continued

of pot-still whiskey by keeping arises entirely from the changes of these bodies?—That is shown by the result of our experiments.

3683. But we had it in evidence that patent spirits also improved by keeping; the commercial value of them it has been proved here, increased by age in the same proportion as the commercial value of pot-still spirits. Now would not this show that there must be some body present in the patent-spirit which also undergoes a change causing the spirit to mellow and improve?—These bodies are not present in patent-still spirit. I have shown from ether extracts which I have produced that the patent-still spirits are free practically from these pyro-bodies; and I also pointed out that the patent-still spirit acquires a certain character from being kept in cask, for a certain time.

3684. But that must be produced by some cause; if the higher alcohols and the compound ethers do not undergo any change there must be some other body surely?—It extracts certain substances from the wood of the cask which effect its character.

3685. Do you think that would be sufficient to account for it; because we have it in evidence that it is a very profitable speculation to keep patent-still spirit; that the commercial value rises out of proportion in fact to the cost of keeping?—I have no doubt that by keeping the spirit would gradually increase in character from the substances which it would extract from the wood.

3686. But if these bodies come to a considerable extent from malt, there is a considerable proportion of malt used in patent-still spirits?—Yes.

3687. Ought there not to be therefore a certain proportion of these bodies in the patent-still spirits?—The process of distillation is so different from that in the pot-still.

Chairman.

3688. Might not the improvement of patent-still spirit in bonding, if it is to be used for the purpose of blending, be derived from the fact

Chairman—continued.

that it is often stored in sherry casks?—That is so.

3689. And that the sherry would give it colour, and might give it flavour for the purposes of blending?—Yes, it would alter the flavour materially.

3690. But that improvement would be of a different character altogether from the changes which would take place by age?—Yes, quite so; that would be imparting flavour from a commercial point of view.

Chairman.] Before you go away, let me, on the part of the Committee, thank you for your very elaborate investigation, and also thank the Inland Revenue for having allowed so much of your time to be used to obtain the information which the Committee were so anxious to procure on this subject.

Colonel *Hill.*

3691. Did you analyse a sample of whiskey obtained from the House of Commons?—I analysed two samples. I will read the report if you will allow me: Results of the analysis of the two samples of whiskey from the House of Commons.

Per Cent. at Proof Strength.

—	Strength.	Free Acid.	Compound Ethers.	Higher Alcohols.	Furfurol.	Per cent. Dry Solid Residue.
Scotch -	17·0 u.p.	·0329	·040	·079	·0035	·19
Irish - -	17·7 u.p.	·0243	·038	·082	·0045	·14

Both samples afforded evidence of having been stored in wine casks, and the results of the analysis in both cases are consistent with genuine pot-still spirits. From the general character of the samples, there is reason to believe that both have been warehoused for some years.

Chairman.

3692. Then there is not a very great difference between them?—There is not.

Tuesday, 14*th April* 1891.

MEMBERS PRESENT :

Mr. Boord.
Sir Edward Harland.
Mr. T. M. Healy.
Colonel Hill.
Mr. Jackson.
Mr. M'Ewan.
Sir Lyon Playfair.
Sir Henry Roscoe.

THE RIGHT HONOURABLE SIR LYON PLAYFAIR, K.C.B., IN THE CHAIR.

Mr. F. W. PAVY, M.D., F.R.S., called in; and Examined.

Chairman.

3693. I NEED scarcely ask whether you are a doctor of medicine?—I am.

3694. Are you also a fellow of the Royal Society?—I am.

3695. You have written a well-known work upon food and dietetics?—I have.

3696. That work has been before the public for a good many years?—A great many years, and it has been published in Russia as well as in America and in England.

3697. I think I ought to know, because you did me the honour of dedicating the work to me. Have you in the course of your investigations paid considerable attention to alcohol as a diet?—I have paid considerable attention to it as one of the dietetic articles.

3698. You are aware that the obnoxiousness of new or raw spirit has been ascribed to various principles contained in them?—I am.

3699. What has generally been the idea with regard to the peculiarity of spirits of different kinds; I mean, is it the higher alcohols, in comparison with the ethylic alcohol, to which their peculiarities have been ascribed?—Hitherto that has been so.

3700. What would you consider that potable spirits generally may be regarded as consisting of?—As consisting of plain spirit or ethylic alcohol, with flavouring principles constituting the bye-products.

3701. Would you say that the ethylic alcohol was the basis, that it was the main thing?—It is the main thing of the spirit, the basis of it.

3702. And that the bye-products which exist by different materials and processes of distillation, give the peculiar character to the different spirits?—They give the characteristic qualities to the spirit.

3703. Now, how are those bye-products chiefly formed; for instance, does the nature of the fermenting medium determine the character of the bye-products?—That is the main source of the character of the bye-products, the fermenting medium, whether that fermenting medium shall come from malt, from raw corn, from grape juice,

Chairman—continued.

from molasses, from potatoes, from beet, or from any other source.

3704. Do you consider that the purity or impurity of the ferment has much action?—It will have a certain amount of action. It will not influence the main character of the spirit; but, according to the nature of the fermentation, or according to the purity of the ferment, so will you have a pure fermented product or an impure fermented product. I would put it in this way, that the ferment consists of a certain living organism, which exerts a change upon sugar, either given to the fermenting product as sugar, or derived from some other source, as from starch. If this living organism is in a pure state you have those changes which are characteristic of ordinary fermentation; but if this living organism should be mixed with other living organisms, or the germs of other living organisms, you will have other changes taking place in the fermenting product which may influence the spirit which is derived from it. I would say that it is just the same as if you planted clean seed in a field, and got a pure crop of corn, or as if you planted foul seed and got a crop of corn and weeds.

3705. And do you think that the temperature at which the fermentation is carried on may have an effect upon it also?—That will also exert a certain amount of effect.

3706. And with regard to the method of distillation, which varies in the case of whiskies from pot still to patent-still, do you think that the method of distillation also affects the bye-products?—It will affect the character of the spirit which is obtained from distillation. That is, in one form of distillation, represented on the left in that sketch on the diagram which is hanging on the wall, the plain spirit or ethylic alcohol will come over mixed with the bye-products; but, in the other process of distillation, a separation is effected, and you get the ethylic alcohol or plain spirit running in one direction, and the bye-products, which give rise to fusel oil, in the other direction.

3707. That

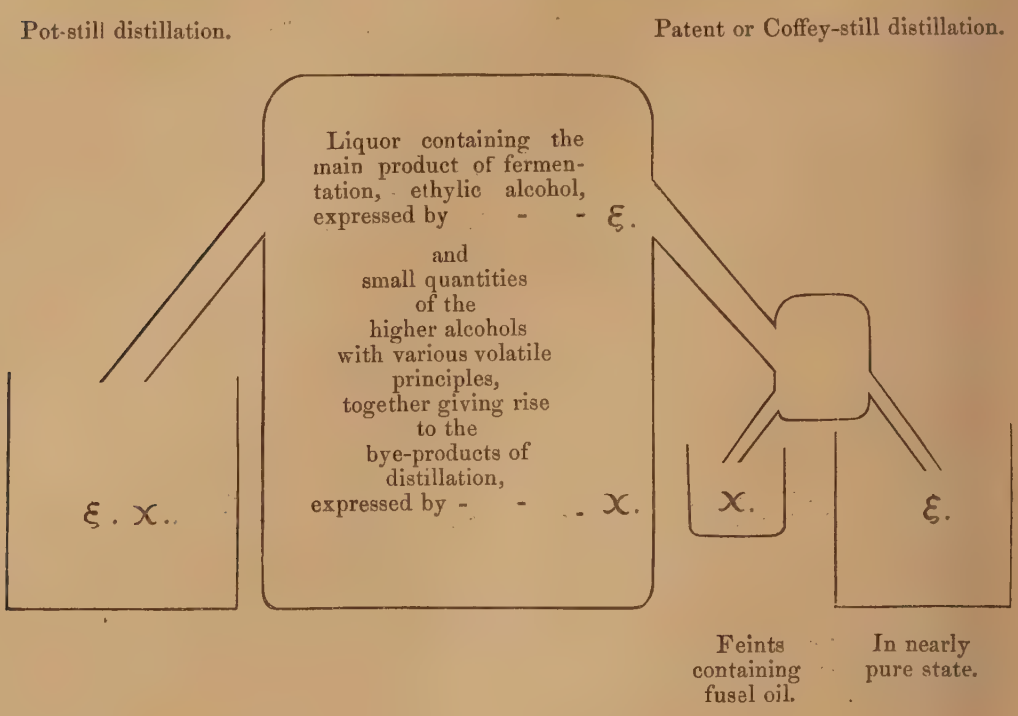
Chairman—continued.

3707. That is to say that, in pot-still spirits, the bye-products remain all through without separation?—They remain with the ethylic alcohol; the two go together.

3708. But in the case of the patent-still spirits they are separated, to a large extent, and do not accompany the spirit afterwards?—That is so.

Chairman—continued.

3709. Perhaps you would just explain that part of the diagram now?—(*The Witness handed in the following Diagram.*)


Pot-still distillation.
Patent or Coffey-still distillation.
Liquor containing the main product of fermentation, ethylic alcohol, expressed by - - ε.
and small quantities of the higher alcohols with various volatile principles, together giving rise to the bye-products of distillation, expressed by - - - χ.
ε . χ..
χ.
ε.
Feints containing fusel oil.
In nearly pure state.

Plan and Formulæ representing the Production and Constitution of Spirits.

ε = Ethylic Alcohol (plain, neutral, silent, or patent-still spirit almost entirely consists of ethylic alcohol and water).

χ = Bye or character products, consisting of small quantities of the higher alcohols and various other volatile principles.

Pure malt whiskey - - - - - - = ε + χ (bye-products from malt).

Whiskey from malt and raw grain - - = ε + χ (bye-products from malt). ε + χ (bye-products from raw grain).

Brandy - - - - - - - - = ε + χ (bye-products from grape juice).

Rum - - - - - - - - - = ε + χ (bye-products from molasses).

Potato spirit - - - - - - - = ε + χ (bye-products from potatoes).

Beet spirit - - - - - - - - = ε + χ (bye-products from beetroot).

Plain, neutral, or silent spirit, from whatever source obtained (includes German spirit - = ε almost exclusively.

Whiskey, brandy, or rum, blended with plain spirit - - - - - - - - = ε + ε (added) + χ (bye-products from the particular spirit dealt with).

Gin - - - - - - - - - = ε + flavouring from juniper and other aromatics.

I am

Chairman—continued.

I am presuming that we have a vessel holding the products of fermentation constituting a liquor containing the main product of fermentation, ethylic alcohol, which may be expressed by E, and small quantities of the higher alcohols with various volatile principles, together giving rise to the bye-products of distillation, which may be expressed by X.

3710. In the pot-still process of distillation what happens?—When distillation is effected by the pot-still, the E and X go together; they pass over together. When distillation is effected by the patent or Coffey still, E passes in one direction and X in another.

3711. E being pure ethylic alcohol?—It is ethylic alcohol in a nearly pure state. The result will depend somewhat on the care with which distillation is carried on; but I am informed that distillation may be carried on so that you get what may be considered as an almost absolutely clean spirit; but the spirit may be contaminated or impregnated with a slight amount of the bye-products.

3712. E being ethylic alcohol, and X the bye-products in the pot-still distillation, the product is E + X?—Yes.

3713. To the right, that is in the patent still distillation, the product E, ethylic alcohol, is the major part, and X has to a considerable extent been separated?—It has been separated.

3714. Now with regard to the bye-products, including all what may be termed either the impurities or the materials which give character to the whiskey, would they differ in the case of malt and in the case of grain?—I have endeavoured to represent on the right-hand side of the diagram what would be the constitution of the different spirits as obtained from different sources, and you will observe that with pure malt whisky you would have simply to deal with E + X, X constituting the bye-products derived from malt and malt only; with spirit obtained from malt and from raw corn you would have the ethylic alcohol derived from both, and the bye-products from malt, and the bye-products from the unmalted corn.

3715. Which latter may be of a different character?—Which it may be assumed would be, to a certain extent, different from those of the malted corn.

3716. Then whiskeys, according to whether they are malt whiskeys or whiskeys from malt and grain, may be different in the nature of their bye-products?—Yes, to a certain extent.

3717. Now how would an alcoholic beverage got in that way, I mean from malt or from malt and grain together, differ from an alcoholic liquid got from grapes?—In the liquid obtained from grapes you would have the ethylic alcohol plus the bye-products derived from the grape juice.

3718. Which may be entirely different in character, or partly different in character, from those obtained from malt and grain?—They would give the difference in the flavour and odour belonging to the spirit.

3719. And, similarly, if you had other fermenting material like molasses, would that give again a difference to the character of X?—You would have the bye-products derived from the molasses.

Chairman—continued.

3720. Which would be different in character?—They would be different in character; it is these bye-products derived from molasses which give the character to rum.

3721. As distinguished from brandy and whiskey?—Yes.

3722. Brandy being supposed to be derived from the grape juice chiefly?—Yes.

3723. And do you consider that the method of distillation would also determine the differences of the products, irrespective of the material from which they come?—Yes, by the pot-still distillation you obtain the bye-products mixed with the ethylic alcohol, in the other form of distillation the bye-products are more or less completely separated from the alcohol.

3724. Then the ordinary potable spirits, if I understand your meaning, are really ethylic alcohol, with the peculiar bye-products derived from the material from which the alcoholic liquid is produced?—That is exactly what I would say; the ethylic alcohol is the basis and this is flavoured with the bye-products coming from different sources.

3725. Now, would you give us a definition of the potable spirit known as whiskey?—I would define whiskey to be a spirit consisting of plain spirit or ethylic alcohol, mixed with the bye-products derived from malt. That is a comprehensive definition.

3726. Derived from malt, or from malt and grain?—Well, I should say, in the case of pure malt whiskey, only the bye-products derived from malt; but if you use the word "whiskey" without saying "malt whiskey," I would say the bye-products coming from both malt and raw corn.

3727. And brandy would have a different definition, then, from whiskey?—The definition for brandy would be—plain spirit, or ethylic alcohol, containing the bye-products derived from the grape.

3728. And rum?—Rum—plain spirit containing the bye-products derived from molasses.

3729. And it is according to the nature of these bye-products derived from the materials used in the fermentation and distillation that these different potable spirits are called by the different names, whiskey, brandy, and rum?—It is so.

3730. Would you consider that patent still spirits deserve the name of whiskey?—Patent still spirit, if you look upon it as whiskey, stands in the position of the play of Hamlet without the character of Hamlet in it; that is to say, it has nothing of the character of whiskey about it.

3731. Nothing as regards the flavour, or the taste, or the qualities which make these other spirits potable?—No, it does not contain the bye-products which give character.

3732. You are aware probably that the patent still spirit made from whiskey and grain, according to the evidence before us, contains, though not a large quantity, a small quantity of bye-products?—The amount is so small that persons are not able to distinguish it. I have been carefully through the minutes of evidence, and I glean from the evidence which has been given that there has been no person yet before you who has said that when the spirit is perfectly clean he could distinguish the spirit coming from one source or

Chairman—continued.

from another. The witness has said that he thought an expert might do it. If it is not characterless it is almost characterless.

3733. As compared with what is known in the trade by the names of whiskey, rum, and brandy?—Certainly.

3734. That is the case, is it not, with regard to plain spirits, whether they are got from malt or from malt and grain, or from molasses, or from potatoes, or from any other source?—Yes, it does not signify from what source the plain spirit is obtained; if it is perfectly clean it is simply ethylic alcohol, without any character beyond that belonging to ethylic alcohol.

3735. Then it is to the bye-products that you ascribe the agreeable flavour and the relish which certain spirits have which are used for potable purposes?—The bye-products give the flavour and the odour, and make the spirit, instead of being insipid, relishable.

3736. Would you consider that the flavour and the taste of these bye-products in the various spirits, bear somewhat the same relation as condiments bear to food?—I look upon it exactly in that light. It is not agreeable to us to take our food in a perfectly insipid state; we make it agreeable to the palate by adding flavouring principles to it. I would say the same with regard to these spirits; I do not think the public would consume a spirit, or would approve of a spirit, in a perfectly neutral or insipid state; but the fact of the spirits being combined with these bye-products gives them character, and renders them agreeable to the palate and the nose of the consumer.

3737. What do you think is the difference between the new spirits and the old spirits in that relation?—I think the difference will entirely depend upon the condition of the bye-products. In the new spirit the condition is such as to be hot, pungent, acrid, and disagreeable to the mouth.

3738. Does it give a sense of heat in the case of new spirits when taken into the mouth?—It gives a sense of heat, and the odour is coarse and disagreeable, and when swallowed it gives a sense of heat in passing down, and also a sense of heat when it arrives in the stomach.

3739. Do you consider that indicates any irritant qualities or not?—I consider decidedly that the sensation which is produced may be taken as indicating that the spirit is of an irritant nature; persons have expressed to me, that in swallowing a new spirit, it is like swallowing a hot coal, or like swallowing turpentine. That is how the effect of the new spirit has been described to me.

3740. In your opinion does that explain why cheap and rough spirits are supposed to be detrimental in being taken too soon?—Yes, from this state of the bye-products; and likewise I apprehend that in a cheap and rough spirit the distillation may have been carried on in such a way as to get more of the bye-products present than would be present in what would be considered a good spirit.

3741. With regard to spirits consumed in a rough way, such as those consumed in gold diggings and elsewhere, do you think it is owing to these bye-products not having become matured with age that the maddening effects are produced that are said to come from these spirits?—I do not know anything about the maddening effects; I do not know whether the maddening effects which have been described are really due to these bye-products; they may depend upon the amount of spirit which has been taken. I rather look upon the bye-products as being chiefly pernicious through the local action which they exert upon the stomach.

Chairman—continued.

3742. And that it is really the ethylic alcohol taken in too large quantities which may produce what are called the maddening effects?—The ethylic alcohol; and likewise the effects of the irritant action of the other products upon the stomach; a combination of effects.

3743. Have you considered what changes take place by the mellowing of the whiskey through age?—I have not considered in detail the changes; I rather look upon the matter from a physiological or relation to health point of view. I look at the actual fact that the new spirit is in the condition to produce the acrid, pungent, fiery sensation in the mouth that has been referred to, and that the spirit after being kept in cask is softened or toned down, and brought to a much less acrid condition. I would rather look at these actual facts; it is not my province to go into chemical detail and point out the exact changes which lead to the alteration.

3744. It has been given in evidence that lately a taste has arisen among the public for a milder spirit than formerly; do you think that the dilution by plain spirit or toning down by plain spirit would have any injurious effect as regards health?—You mean, I suppose, blending an ordinary spirit with a plain spirit?

3745. Yes?—Blending an ordinary spirit with a plain spirit will have the effect of softening, toning down, or rendering the spirit less acrid, simply by attenuation or dilution; and I consider that a new spirit which has been so attenuated, so brought to a softened condition, need not be looked upon as unwholesome. It has not the characters of a spirit which has been softened or mellowed by age, because in the softening or mellowing by age you have a change in the bye-products, which will give rise to the development of odour and flavour which can be only obtained by that change. When the spirit is softened by blending or attenuating it with a plain spirit, you have still the unaltered youthful bye-products to deal with.

3746. But with regard to the fact that plain spirit is used to a considerable extent, may not that be with the object of selling new spirit which has not undergone that change; what I mean is that new spirit not mellowed may be so diluted with plain spirit, that the new spirit may be made potable at an earlier time than otherwise would be the case?—Certainly.

3747. With regard to the addition of plain spirit then, as I understand, your view is that it dilutes without giving the full and round flavour which old age gives to ordinary whiskeys?—That is so; it simply softens by dilution.

3748. And at all events it dilutes and lessens any irritant effect which would be produced by the consumption of new spirits?—Yes, you get less of the acrid principle in the spirit. Referring to the diagram, the blended spirit is at the bottom of the Table, standing as whiskey, brandy, or rum blended with plain spirit. It is represented by the formula

Chairman—continued.

formula E *plus* E *plus* X—that is E, the ethylic alcohol of the whiskey, brandy, or rum used, *plus* E, the added plain spirit, *plus* X, the bye-products contained in the spirit, whether whiskey, brandy, or rum taken for blending. So that in proportion as you have added E, representing plain spirit, so will you have in your blended spirit less of the obnoxious new bye-products.

3749. Would gin come into your category of spirits according to your formula?—Gin is a plain spirit artificially flavoured with juniper and other aromatics.

3750. It differs then from spirits produced by distillation, ordinarily?—It has none of the ordinary bye-products.

3751. But has additional products, for the purpose of giving aroma or taste?—I suppose it may be considered to be plain spirit rendered palatable, or susceptible of approval by the public, by means of these artificial flavouring principles.

3752. I do not know whether you have observed the very small amount in percentage of these bye-products in the evidence which has been laid before us by Mr. Allen, Dr. Bell, and others. Do you think that small amount is sufficient to produce any toxic effects upon the spirits in which they occur?—I do not consider so.

3753. That is to say, you think they are not sufficient in quantity to produce poisonous effects?—No: I have entered carefully into that matter, and have looked at the experimental evidence, and as far as possible grouped it under two heads; placing on the one side the statements of experimenters who assign powerful toxic effects to the higher alcohols and aldehyde, and on the other the statements of those who have not observed such toxic effects; and altogether, the evidence which has been obtained up to the present time is of a most conflicting character; and when toxic effects are spoken of as produced by the higher alcohols greater than those produced by the ethylic alcohol, the amount of increased effect is altogether below what would be required to give different effects to spirits containing different amounts of the amylic and the other higher alcohols. To explain more fully what I mean: Dujardin-Beaumetz, for instance, speaks of the higher alcohols— the propylic, the butylic, and the amylic alcohols, as being more toxic than the ethylic alcohol; but it is only a question of a few times more toxic, say, five, six, seven, or eight times more toxic. I perceive, however, from the chemical evidence that has been given, that the amylic alcohol only exists in spirits to the extent of about one or two per thousand, or one-tenth or two-tenths per cent., and in this proportion there would only be about one or two drops or grains of the amylic alcohol in a wineglassful of the spirit. If you are dealing with the pure alcohols—that is, if a person were to drink the ethylic alcohol on the one hand, and on the other to drink the pure propylic alcohol, or butylic alcohol, or amylic alcohol, the comparison would be good; these higher alcohols, taken in the pure form, are more toxic than the others; but a person in drinking ordinary spirits is only taking in a wineglassful about one or two drops of the higher alcohols.

3754. Supposing, then, that you were to take those one or two drops and put them into a glass of water and swallow the glass of water, would you expect any toxic effects from them?—Certainly not.

3755. I do not know whether you have read Dr. Bell's evidence, in which he seemed to show that some of the empyreumatic bodies produced in the drying of malt, might be the irritant bye-products of the whiskeys?—I have read that.

3756. That, of course, would require to be made the subject of experiment?—Yes; but I think Dr. Bell, in his experiments, has given a clue which may lead, in all probability, to the discovery of the chemical changes which are at the foundation of the mellowing of a spirit by age.

3757. Have you read the evidence which has been put before this Committee in regard to the drinking of ether?—I have.

3758. Have you taken any steps amongst your medical colleagues in the districts where ether drinking prevails, to find out their opinion as to the truth of the statements?—After reading the evidence I addressed a letter to every medical man in the districts where ether drinking was alleged to be carried on; 45 letters in all were sent out, and I received 20 replies. In nine no information is given; in 11 some information, more or less in extent, is supplied.

3759. Perhaps you would tell us what was the nature of the information, mentioning your correspondents, unless you desire your correspondents' names not to appear?—I have before me extracts giving the points mentioned in the letters; they are not long.

3760. If you would please read them to us, we shall be glad to hear them?—Perhaps I had better omit the names. First, Dr. Mac E. states that ether is drunk around Kilrae, but not to the same extent as around Draperstown; it is sold by grocers and bakers, and drunk on market days, mostly by Roman Catholics who do not drink whiskey.

3761. That means I suppose during certain fast days?—I do not know; I am not responsible for what the medical man says. He goes on to say that he knew a man who could drink half a pint without any result.

3762. Does he mention whether it produces any form of disease?—Yes, he says it renders them liable to gastric ulcer, ulcer of the stomach. Then Dr. W. states, that it is said to be drunk in Antrim, Down, and parts of Derry and Tyrone.

3763. Then the next?—The next is Dr. L., who says that some years ago it was sold across the counter at chemists in drachm doses for one penny to people from the mountains between Gortin and Cookstown. Dr. H. writes, that it is unknown in his district, but he believes that it is indulged in freely 20 miles away in Armagh. Dr. S. writes, that practically none is drunk in his district, but he believes it is very largely drunk near Cookstown and Draperstown. Dr. T. has seen one or two deaths; severe gastro-intestinal inflammation, rapidly producing a state of collapse. The people like it best, he says, because they get drunk quicker, and for a less time.

3764. They recover more readily?—They recover more quickly. Then Dr. A. says that ether

Chairman—continued.

ether drinking existed slightly 18 months ago, but of late has died out. Dr. F. writes, that a chemist tells him he used to sell it in considerable quantities two years ago, but now sells very little; he usually sold half gallons at a time to parties from Gortin and other mountainous districts. Dr. C. knows ether drinking is largely carried on, but cannot say anything as to its effects. Dr. L. used to recognise the smell of ether on market days, and referring to methylated spirit, encloses a newspaper cutting of a case of a man found dead drunk with three bottles of methylated spirit; the evidence showed that he was given to drinking methylated spirit; he was found at 10.30 a.m., and remained unconscious till 10.30 p.m.; face livid and all the appearances as of a person dying. Dr. W. had a steward on board ship who drank methylated spirit; was formerly a hospital porter in Dublin; and said many other poor people did likewise.

3765. The general result of the letters from medical men in the district is that it prevails, but scarcely prevails to the very large extent that has been stated?—That is so, and I asked for information from personal observation, but in no instance does the letter convey that.

Mr. *Boord.*

3766. Do you mean that your correspondents do not give you their own personal experience?—Not their personal experience, it may be regarded as hearsay evidence.

Chairman.

3767. Have you ever had any patients that you found intoxicating themselves with ether?—That has not fallen within my experience.

3768. Perhaps you are aware that ether has been lately scheduled under the Food and Drugs Act, and the Pharmaceutical Act too, and that its use will now be surrounded with considerably more difficulties than formerly?—I have heard so, and I consider that the proper course.

Sir *Henry Roscoe.*

3769. We have heard from you a very lucid description of the process by which you divide the various spirits into the pure alcohol and bye-products. I understand that you do not give us any opinion as to the chemical nature of these bye-products?—I deal with the matter physiologically, and from a health point of view, and not from a chemical point of view.

3770. And I understand you that you are unable to fix upon anyone of the compound parts of these bye-products as being a highly toxic body?—I can only say that I have a surmise that the special toxic nature of the bye-products is due to some fatty principles, empyreumatic or fatty compounds.

3771. And in that respect you would rather agree with the evidence which we have heard from Dr. Bell?—Decidedly, and I attribute the effects to the acrid properties of these products affecting the stomach and other parts with which they come in contact.

3772. Then I understand also that, in your opinion, the patent-still spirit, being a pure spirit, and not containing any of these materials or bye-products, would not alter by being kept in bond?—Certainly not, there is nothing to undergo alteration. I do not see that ethylic

Sir *Henry Roscoe*—continued.

alcohol can any more alter than water would alter. It is a stable chemical product, and will remain without change; it may evaporate, or it may become impregnated with something coming from a cask; but taking the pure ethylic alcohol, it will not itself alter by keeping.

3773. Whereas, in the case of the pot-still, what would the effect be?—The bye-products do alter; and I consider that this constitutes the difference between a new raw spirit and a spirit which has been mellowed by age; that by the alteration taking place in the bye-products, the acrid character, or a large amount of the acrid character, becomes removed, and the spirit is thereby rendered soft and mellow.

3774. You have not expressed any opinion with regard to the advisability of fixing some definite period during which you would compel the spirit to remain in bond; have you formed any opinion on that subject?—I would express myself on that point in this way: that a new and raw spirit of an acrid character is not a fit spirit for consumption, and that a spirit, to be rendered really fit for consumption, should be softened or toned down by age, or else it may be attenuated by dilution with a plain spirit.

3775. But would you insist upon Government interference with regard to the bonding of spirits for any definite length of time, or would you rather trust to the taste of the public in obtaining the spirit which they need, and therefore insisting on their part on buying a spirit which had been thus mellowed?—I do not know whether it is necessary that any interference should be exerted by the Government. With persons amongst the higher classes of society, they would refuse to take a spirit which was hot, fiery, and acrid; it would not be saleable to them; they seek for the soft and mellow spirit, so that for them it would not be necessary. The supply is shaped according to the demand; and if the demand is not for a hot and fiery spirit, the supply, I consider, would correspondingly cease. But then there is another class of people, I mean the working class, and many amongst these have been so hardened to taking spirits, that unless they get something hot and pungent, something that they can feel conscious of in the stomach, they are not satisfied with it. These people prefer a hot and fiery spirit. I should say that it is not suitable for them, and it would be a good thing in the interests of the public health for measures to be taken to secure that they do not have the opportunity of getting it. If they can get it they will take it.

3776. And do you think that there is evidence enough as to the harmful effects of such raw spirits to warrant Government interference in that particular?—Perhaps I am not in a position to express a definite opinion upon that; but I may state that I often come in contact with persons who have been abroad, in South Africa, in South America, and in Australia, and who have led there a very rough life, and have only been able to obtain raw and acrid spirits, and I consider that they have had a great deal of injury inflicted by the kind of spirits they have thus consumed. They would not have consumed them if they could have got anything less coarse and better, and they speak of what they have

Sir *Henry Roscoe*—continued.

have been compelled to drink as having been of a nature to burn out the inside.

Colonel *Hill.*

3777. Assuming that spirits have certain medical qualities which are beneficial, do you think that, putting aside the question of flavour, those results would be obtained by drinking plain spirit?—Yes, for medical purposes, I think what is wanted may be attained simply by drinking the plain spirit; but then the plain spirit would be insipid, and persons would not find it agreeable in the same way as they do the flavoured spirit, or the spirit containing the bye-products.

3778. I ask that question because we had in evidence from Mr. Samuel an experiment which he made upon himself, in which he first of all took some brandy containing a certain proportion of fusel oil in four fluid ounces between meals, and he found no evil effects at all; but then he afterwards tried plain spirit, containing no fusel oil, with a very different result; he began on Friday at four o'clock in the afternoon, and on Saturday he experienced headache, tightening across the chest, and indigestion. That would go to show, supposing that was the effect of a plain spirit, that it had had an injurious effect upon him, and that on the other hand the spirit containing the fusel oil was wholesome and good?—The position would be in reality this. Drawing an analogy from food taken on the one hand in a plain state, and on the other hand mixed with a coarse flavouring adjunct—I say coarse, because fusel oil must be looked upon as a very coarse flavouring addition to spirit—it is found that the food in a plain state makes a person feel ill, whilst seasoned with the coarse and acrid adjunct it does not disagree but makes him feel easy and well.

3779. You do not think that these effects which I have mentioned were attributable to the properties contained in the plain spirit?—No; I think they may have been the result of a mental operation. I know that there is great antipathy entertained by certain persons against the plain spirit, and they attribute the injurious or noxious character of mixed spirits to the plain spirit. Conversing the other day with a person who is not a dealer, but has to judge the value of different spirits, he told me that when a whiskey, or rum, or brandy was blended with plain spirit they looked upon the plain spirit as "beast" in the mixture, or the noxious agent in it. No, I said to him, the plain spirit is the innocent agent—the lamb, so to speak—whilst the youthful bye-products of the new or raw spirit, whether whiskey, rum, or brandy in the blend, constitute, in reality, the so-called beast to be shunned.

3780. Have you ever heard the case of a man becoming intoxicated on fusel oil?—No, I have not.

3781. Would you expect very serious results to happen in such a case?—I should expect that it would be very pernicious in its effect upon his stomach.

3782. I ask the question because I met a man the other day who told me that he had known such an instance, and that it had a peculiar effect on the man during the time that he was intoxicated, which was for two hours; but the next morning he was all right, and there were no ill

Colonel *Hill*—continued.

effects from the fusel oil. May I ask whether you have paid any attention to the question of the cheap foreign spirit which comes over, in regard to comparing it with the plain spirit made in England?—I have read the evidence which has been given upon that point, and I gleaned that much of the foreign spirit is in a perfectly clean or pure condition; and I would say, if it is in this clean and pure condition, that it stands in the same position as the plain spirit obtained in this country from malt, from raw grain, or from any other source.

3783. You have not personally made any experiments upon that point?—I have not.

3784. I think I understood you to state distinctly that plain spirit which has been flavoured or blended with new pot-still whiskey is a wholesome beverage which you would not wish to interfere with?—If the blending has been carried out to an extent to render the product soft, I consider it wholesome; but it will never have the rich mellow character belonging to a spirit which has been softened by age.

3785. But from a medical point of view, supposing that there were two-thirds of the plain spirit, and one-third of new pot-still spirit, you would consider that to be a wholesome beverage?—Yes, but I would not compare it to an old spirit.

3786. It would not be so pleasant to take, you mean?—It would not be so pleasant; and then, again, it must be remembered that what bye-product is present is in a raw state; you have not your bye-product in a mellowed condition. If you take new spirit and dilute and soften it with plain spirit, you have still your bye-product in a raw or youthful state.

3787. But possibly in quantities insufficient to cause any ill result?—I consider so.

3788. If you were to advise a restriction with regard to any kind of spirit at all, it would be in the case of a pure pot-still malt or grain whiskey, any restriction as to age, I mean?—Yes, it would be entirely with reference to that. A spirit may be diluted or blended so as not to be quite soft enough for drinking at the time, and if that were kept for a year or two years it would undergo a mellowing, and would be richer and better than a spirit which had been more fully softened by the addition of plain spirit to be drunk at the time.

3789. There is no objection to a patient drinking that blended spirit, but you would object to his drinking the new pot-still spirit?—Yes.

3790. Therefore, if there were to be restriction at all, you would wish to see it placed upon the pot-still malt or grain whiskey?—That is so.

Sir *Edward Harland.*

3791. You have just referred to softening the raw pot-still whiskey by the addition of plain spirit; I presume you are referring in that case to spirits which have been produced by the patent still?—Yes.

3792. That being the case, how do you reconcile that opinion with the answer given to the question of the Chairman, in which he made reference to spirits drunk in the gold mining districts, and such centres of raw industry, in regard to which the evidence would appear to show that this very raw sort of spirit is very

Sir *Edward Harland*—continued.

much in request there, because, from the cheaper character of the patent still whiskey, may we not reasonably conclude that it is patent-still spirit that finds its way into these mining districts?—I should say it is certainly not so. It is the spirit with the strong taste which is consumed at these places; such is exactly what people complain of, that the spirit supplied is too hot and acrid and pungent. Now these are not the characters belonging to plain spirit; plain spirit is characterised by its comparatively insipid nature; there is an absence of the great heat and pungency or acrid character belonging to the cheap pot-still spirits.

3793. I was under the impression, from your evidence, in the earlier portion of it, that you had at this moment described what you considered was the peculiar characteristic of patent-still spirit; that it was so extremely hot, not only to the palate but also in being swallowed, and also in entering the stomach?—No, exactly the reverse; I said the absence of character.

3794. You have no knowledge, perhaps, as to the description of spirits which find their way into these foreign mining districts?—They are pot-still spirits; they are spirits containing, I would say, too large a quantity and too bad a quality of the bye-products.

3795. That is to say, they would be very raw new pot-still spirits?—Yes, and I should say with distillation carelessly carried out, so that a number of bye-products may get into the spirit which would not get into spirit distilled in this country, where distillation is carried out more carefully.

3796. Can you speak as to the strength of such raw spirits for the foreign markets referred to; that is, whether they are so much above proof, or what the strength of the spirit is for those foreign markets?—I know that the spirits are strong; but the especial character belonging to them is their hot and fiery nature, which will come from the bye-products.

3797. You spoke of its being perfectly useless to keep in order to age, or to attempt to age, the product of the patent still?—Certainly.

3798. At the same time you considered that the product of the patent still, from the absence of these higher alcohols, might possibly not be

Sir *Edward Harland*—continued.

so palatable, or perhaps (as was stated in the evidence of one of our witnesses here) might not agree with the stomach, as well as not agreeing with the palate. Now, do you think that in place of requiring the patent-still spirit to be aged, the same effect would be produced if such were not permitted to be sold for public consumption, excepting at a strength very much more below proof, that is to say, do you think, having regard to the injury at present supposed to be sustained by the working population in drinking these ardent spirits, the same advantage would be gained if such spirits were not permitted to enter into public consumption, excepting at a very much weaker strength, that is, diluted, say, by water; would that have the same effect as ageing in your opinion?—No, because with ageing a change takes place which leads to the development of the characteristic flavour, and odour of the old spirit. Diluting, whether with plain spirit or with water, does not alter the bye-products, excepting by dilution; you have in a given quantity of spirit simply a less amount of the bye-products.

3799. You referred to some classes of men who prefer to have raw spirit supplied to them, and we have all heard of certain people who prefer a spirit with a "grip" in it (to use a northern expression), such probably being a source of injury to the drinker; now would not that be met or neutralised if such spirits were not permitted to enter into consumption, as I say, at such a very great strength; would that, do you think, have the effect of stopping the injurious consequences?—I can only answer that question by saying, that the more you dilute the spirit the less obnoxious it is, and the less it would injure the health.

Mr. *Boord.*

3800–1. I infer from your evidence, that you consider that there would be no advantage in compelling patent still spirits to remain in bond for any given time?—None whatever.

Chairman.] We are very much obliged to you for the great attention you have given to the subject, and for having given us very useful evidence.

Mr. LAUDER BRUNTON, M.D., D.Sc., F.R.S., called in; and Examined.

Chairman.

3802. I THINK that, as well as being a Doctor of Medicine, you are a Doctor of Science?—I am.

3803. You are also a Fellow of the Royal Society?—I am.

3804. Do you occupy any position as a lecturer in any of our public hospitals?—I am lecturer on materia medica and therapeutics at St. Bartholomew's Hospital.

3805. Have you devoted much attention to the action of food and drugs on the living body?—I have worked at the subject for 25 years.

3806. I think you have written a large work upon pharmacology and another upon the diseases

Chairman—continued.

of the stomach?—I have; I have brought them with me. This (*producing a book*) is the book on pharmacology, in which I have marked two of the passages specially, as perhaps wanted in reference to the action of alcohol upon the body. The first of these is the tables given by Dujardin-Beaumetz of the toxic effects of the higher alcohols, and the other is a passage having reference to the different characters of the symptoms produced by different forms of alcohol. I have also brought here a book on "Disorders of Digestion," in which is included a paper on the physiological action of alcohol, which I wrote some years ago, and which received the approval to a certain extent of a section of the medical profession, as

was

Chairman—continued.

was shown by its being awarded a silver medal by the Medical Society of London.

3807. I think some of your works have been translated into various languages, and are extensively circulated?—The large work on pharmacology has had a great circulation in this country and America; it has also been translated into French, and is being now translated into German, Spanish, and Italian.

3808. Have you read the evidence which has been given before this Committee?—I have.

3809. Is not there an immense body of experimental evidence upon the effects of different kinds of spirits throughout the country?—It is almost impossible to reckon up the amount of evidence that there is, because each time that a man drinks a glass of whiskey he is trying an experiment upon himself. Sometimes he gets the results which he expects, but sometimes they are not at all the results which he expects. He sometimes drinks under the same name different bodies entirely, one of which may cause pleasant feelings, and the other may cause quite the reverse. The amount of alcohol drunk in this country in a year is, I think, somewhere about 27 millions of gallons; the exact number is given in the evidence already before the Committee. I suppose that each gallon of whiskey may be said to contain about 40 at least or 50 glasses, perhaps more; and in order to get the exact number of experiments tried in a year, we must multiply the number of gallons consumed yearly by the number which is necessary to reduce those gallons to glasses of whiskey. It is evident, then, that very many millions of experiments upon the physiological action of alcohol are tried in this country every year. And when we consider the number of people all over the world who are trying the same class of experiments, the body of experimental evidence regarding the action of alcohol is simply enormous.

3810. But although the experiments are made, they are not always recorded?—No, they are not always recorded, and to a certain extent a number of them are lost; but still, we get from the accumulation of experiments a certain general impression amongst those who try them, which I think is likely to be, to a great extent, a correct one.

3811. For instance, supposing a man drinks good wine or bad wine of the same name, all the results experimentally upon his own body may be very different?—Very different indeed; and it is a general conclusion obtained from unrecorded, no doubt, but still very numerous experiments, that good wine is much less injurious than bad wine; that a man may take a considerable amount of wine, provided it be good, without any very bad effect upon him, either at the time or afterwards; whereas a very small quantity of bad wine may cause in many people a most severe headache, and perhaps great depression on the next day.

3812. That is to say, the small constituents which may be called bye-products in wines and spirits, although they are small, may produce bad physiological results?—Quite so.

3813. Has it not been the experience of mankind, as recorded in the Bible and other places, that old and new wines have a different result?—Certainly; we find it noted in the Acts of the Apostles, that men were said to be "full of new wine," indicating that the new wine seemed to have a more exciting action than the old.

3814. And again, I think, if you go to St. Luke, "No man having drunk old wine straightway desireth new, for he saith, the old is better"?—Yes.

3815. So that the experience of ages has been, that old and mellowed drinks are better than the new ones?—Certainly so.

3816. The use of wine is very much older than the use of distilled spirits, of course?—It is.

3817. But distilled spirits have now been used for many years, and I suppose there is a great deal of evidence about their dietetic effects?—There is.

3818. What would you say was the general result of this experience, first, as to old spirit and new spirit?—The general experience with regard to old and new spirit is, that the old spirit is mellower to the taste, is less likely to cause much excitement at the time, and is less likely to produce serious after consequences, disagreeable after consequences.

3819. I think in your discussion of the question in your book on pharmacology, you relied upon the experience got in drinking saloons and other places, in racecourses and in different kinds of sports?—Yes, I preferred to take statements regarding the action of different kinds of spirit from popular sources, where people would be likely to have large opportunities of observation, rather than from the experiments of scientific men who are, perhaps, much shut off in working in their laboratories. I found it recorded in Baily's Book of Sports, that wine and brandy had a tendencey, when a man took too much, to make the man fall upon his side; that Irish whiskey and whiskey in general made him fall forward, and that cider and perry made him fall upon his back. This, of course, was a general statement, and the man who wrote it had no idea whatever that in describing the symptom produced by those different classes of drink he was describing precisely the symptoms which might be produced by definite injury to various parts of the cerebellum in animals.

3820. That a man drunk with wine falls on his side, that a man drunk with whiskey, especially Irish whiskey, falls on his face, and that a man drunk with cider falls on his back?—Yes.

3821. Then I understand you to explain that different parts of the cerebellum are acted upon by the bye-products in these various potable drinks?—I think so, because the basis of each one of those drinks is ethylic alcohol; and to explain the differences between them one must suppose that the bye-products associated with the ethylic alcohol have got a marked effect upon the nervous system; and it is to this effect, an effect of the bye-products, that one would attribute the differences in the position in which a man will fall after taking an excess of any one of these drinks.

3822. But I think, in your book you say, to explain it, that when the anterior part of the middle

Chairman—continued.

middle lobe of the cerebellum is injured, the animal tends to fall forward?—It is so.

3823. And in walking it stumbles or falls on its face: when the posterior part of the middle lobe of the cerebellum is injured the head is drawn backwards (you say in your book), and there is a continual tendency to fall backwards when moving?—Yes.

3824. And you think that when these injuries to the cerebellum occur, the like injuries are produced by an excess in potable drinks of a peculiar spirit?—Yes, I believe so; it would be very difficult to prove throughly, but I believe that the different bye-products in those different classes of spirit tend to act upon particular parts of the nervous system, and to cause in them such changes as to lead to the falling of a man at one time upon his face, at another upon his back, and at another upon his side, just as if different parts of his cerebellum had been touched with the knife of an operator.

3825. But what would happen supposing a man got drunk with pure ethylic alcohol?—That I cannot say; I should think he might fall in any position; it would depend pretty much upon the nature of the road upon which he was walking, and the nature of the obstacles he might meet.

3826. I think you might acquire that information by knowing how a man drunk with gin would fall, because that is pure alcohol *plus* some aromatic substances?—Yes. I cannot say that the spirit of juniper has very much physiological action; but some of the aromatic substances that are used for flavouring have got a very marked effect indeed. For example, absinthe has a very distinct difference from alcohol. This was shown experimentally at Norwich some years ago by Monsieur Magnan, who demonstrated that if some pure spirit were injected into the vein of an animal it would become drunk, exhibiting the same symptoms as a man who had been intoxicated; but if you injected a little absinthe the animal became at once seized with violent epileptic convulsions; and it has been shown since that these epileptic convulsions are due to the flavouring material with which the absinthe is mixed, and not to the ethylic alcohol which it contains.

3827. Do you think that the ageing of these spirits modifies these bye-products in any essential particular?—I think that it must do so, because people are willing to pay a higher price for old spirit; and I think they do so because they find that the old spirit is either more agreeable to their taste or less likely to do them injury.

3828. It has been proposed to make that ageing compulsory; do you think the conditions are clear enough to induce Parliament to do that?—No, I think not. At present I think we know too little regarding the nature of the impurities or bye-products in spirit, regarding the action of these bye-products upon the human body, and regarding the effect which ageing would have upon those bye-products, to justify any measure which would interfere with commerce so much as keeping spirits compulsorily in bond for a year or so would do.

3829. Is not the general idea that the bye-

Chairman—continued.

products which cause the difference in potable spirits are due to the amylic and higher alcohols?—That is so.

3830. Have you read Dr. Bell's evidence?—I have; and I think that he shows pretty clearly that the general view taken regarding the bye-products is a mistaken one, and that we must look to other substances rather than to the higher alcohols for the effects which are usually ascribed to those alcohols. He has shown that the higher alcohols really change very little by ageing, but that the pyro-compounds, especially some of the furfuran series, undergo change.

3831. Have you made an abstract of the experiments of Curci on furfuran and its related products?—I have; it is a short abstract. I have brought several copies, thinking that some of the members of this Committee might like to look at them (*handing in some copies*).

3832. Would you tell us generally, beginning with the body known as furfuran, what are the physiological effects produced by furfuran?—It lessens reflex, and appears to cause paralysis chiefly by abolishing sensation, so that the animal no longer re-acts, although it still has the power of acting, should it be stimulated sufficiently.

3833. It weakens the heart very much, does it not?—It does weaken it, but not to a very marked extent. None of the series appears in a very marked degree to paralyse the heart, excepting pyro-mucic acid, which, like other acids, paralyses the heart. The others of the series act more especially upon the sensory sphere of the nervous system.

3834. Does not furfur-alcohol produce a very marked effect, even to the extent of throwing the animal into a cataleptic state?—Yes, it has a very marked effect indeed. There are two substances which have a very marked effect; the furfur-alcohol and the furfurol, the furfurol being the aldehyde of the series. Both of those substances produce a very marked cerebral excitement, so that when furfur-alcohol has been injected into a dog it exhibits symptoms of great friskiness, is very lively, and appears to be exceedingly happy. This happiness, however, is very soon succeeded by inco-ordination, the animal seeming to be very drunk, and falling about either on one side or another. Whether headache succeeds this or not is hard to say; but one is almost inclined to think that it does, because the animal sometimes beats with its head against the furniture as if it had a severe headache and were trying to ease it; after this the animal recovers. The furfurol also causes cerebral excitement, but it is of quite a different character. Instead of the animal being hilarious, it is depressed and furious; as Curci says, it seems to be possessed with a kind of sad fury, and the condition of the animal is a very painful one. The furforol is also much more toxic than furfur-alcohol. I see that, in this abstract, I have omitted to state that; but I think it is well to state it now, inasmuch as it might bear to some extent upon the possible changes which occur in ageing.

3835. You are aware that furfurol is well known as a constitnent of whiskeys, and that possibly the other substances which you have named may be in whiskey also, but that they have not been so hitherto detected?—I am.

Perhaps

Chairman—continued.

Perhaps I might point out as at present merely a possibility, which would, of course, require to be subjected to rigid experimental test, that, by a slight change in the furfurol, if we suppose that the furfurol is present in new spirit, and that it gives rise to some of the disagreeable symptoms of new spirit, by changing it into furfur-alcohol, we may lessen the toxic power of that spirit, and at the same time render its effect upon the body a much pleasanter one.

3836. That is to say, that if the distillers were efficient chemists to separate the fusel oil which all goes into the spirit in pot-distillation, and were to convert the furfurol into furfur-alcohol, and then add it, they might improve their spirit and prevent the disagreeable effect?—I think it is quite possible that it might be so; that if instead of, as at present, returning all feints into the still and redistilling, if the feints were kept separate, if they were thoroughly analysed so as to ascertain all the compounds that are present in the feints, and if the physiological action of those different compounds was thoroughly investigated, I think, in all probability, the distillers would be able, with very little trouble, to separate from the feints those bodies that were productive of disagreeable or injurious effects upon the organism, or might so change them as to render their action agreeable. Having done this the feints might either be returned to the still and distilled with fresh spirit, or might simply be blended with pure spirit.

3837. Is there any reason to believe that there may be volatile alkaloids in the spirit?—There is. Some years ago Guareschi and Mosso were deputed by the Italian Government to undertake an investigation into the subject of ptomaines.

3838. Those are putrid poisonous bodies?—They are poisons of an alkaloidal nature, formed by the decomposition of albumen, by the albumen becoming putrid; and at one time there was an idea that these substances, if found in a body where poisoning had been suspected during life, might lead to the unjust conviction of someone, because it might be supposed that someone had administered poison to the deceased, in cases where poisons were found in the body. These poisons, however, might not have been administered during life, but might have been formed in the body after death. These two gentlemen whom I have named were asked by the Italian Government to investigate the subject; but the first difficulty they met with in their research was to obtain a spirit that was free from alkaloids, or at least was free from substances giving the reaction of alkaloids. They found that these substances chiefly belonged to the pyridine series, and these substances were volatile, and passed over with the distilled spirit, and were, of course, obtained in the product. Not only is this the case, but some of these substances appear to occur also in ether, supposed to be pure, because Professor Vaughan, of Michigan University, in a research on which he was engaged, got some ether, supposed to be specially pure, from Germany; on allowing this ether to evaporate spontaneously, it was found that a residue was left behind, which had a toxic action when given to a dog, the residue evidently being something

Chairman—continued.

of the same nature as that found by Guareschi and Mosso in the alcohol.

3839. Showing that there is reason to believe, that some of these poisonous alkaloids, similar in their effects to strychnine, may exist in small quantities in alcohols and ethers?—Yes, certainly.

3840. Are you aware that in 1849 the spirits drunk in Sweden were found to produce peculiarly bad results?—Yes; I found that statement in some of the evidence which was laid before this Committee, and Husz noticed that in that year a quantity of the spirit had been made from decayed grain. It was found by Lombroso, that in decayed maize an alkaloid was generated which had an action like strychnine. Nor was this the only alkaloid; there were other poisonous bodies generated also in the decayed maize. It is not certain that this particular alkaloid would pass over in distillation; but the coincidence noticed by Husz between the injurious effects of the spirit drunk in that particular year and the decayed condition of the grain from which the spirit had been obtained, seems to me to indicate that there was some connection between this injurious action and bye-products of an unusual nature. One would be inclined, therefore, to look to the possibility of the alkaloids formed by putrefaction of the grain giving rise to the injurious symptoms.

3841. In other words, bad materials used in distillation may produce bad results?—Certainly.

3842. As the quantity of these must be extremely small, whatever they are, is there any evidence in medicine that very small quantities of such bodies produce bad results; take for instance, what happens in the case of hyoscine given as a medicine?—Hyoscine is given in very small doses as a medicine; usually one gives from the 1-180th to a 1-100th of a grain as a hypnotic, in order to produce profound sleep; 1-76th of a grain has produced very disagreeable symptoms, the symptoms being somewhat like those produced by atropine and its congeners, and these symptoms last for many hours.

3843. Is there not a case where the 1-96th part of a grain of hyoscine produced a sleep lasting for 24 hours?—Yes, I believe there is.

3844. If these alkaloids are present, as the researches seem to indicate, in very small quantities, do you think that they might possibly explain the dryness of the mouth, the stoppage of the secretion of saliva which sometimes takes place after small quantities of wine or spirits have been taken?—The dryness of the mouth, which sometimes comes after one has taken spirit or wine, is so very remarkable that I think it is very difficult to explain it by the action of ethylic alcohol alone, and it is so very marked that it seems to suggest the presence in the spirit or wine that has been drunk of something that has a specific effect in drying up the mouth. Now atropine, and the other bodies which are allied to it, have got this effect too, that they paralyse the secreting nerves of the salivary glands and render the mouth so dry that it becomes almost impossible for the patient to swallow. I might perhaps be allowed to point out that potato spirit is sometimes looked upon as being particularly injurious, and the potato,

Chairman—continued.

although itself perfectly harmless, belongs to a natural order where these poisions, atropine and its congeners, are specially developed ; and some people have the idea that although the tuber of the potato is perfectly healthy to eat, yet the water in which the potato has been boiled is not quite sound ; and I believe that in some places they will not give potato water to pigs. This might be a popular prejudice, but still, on the other hand, it is possible that there may be some ground for it.

3845. Have you made experiments upon yourself with spirits of different kinds?—I have made very few experiments upon myself with spirits by drinking, because I am very apt to get a headache, and I have much work to do, and cannot afford to waste the time by headache ; but I have tried the effect upon myself of inhalation.

3846. I will come to that immediately ; but would you consider an experiment tried upon yourself, and you being, as you are, susceptible to headache, sufficient to guide this Committee, as a single result, in regard to whether one spirit was good or another spirit was good?—Assuredly not ; one would require to multiply experiments very greatly, to have a great number of recorded experiments to lead to any definite conclusion.

3847. We have had one witness who sacrificed himself for the purpose of giving information to this Committee, and I do not know whether you have read his evidence, the evidence of Mr. Samuel ; would you consider the effects upon him individually sufficient to establish the effects of spirits generally?—Assuredly not ; I read his evidence, and what I found was, that for three or four days he drank brandy mixed with fusel oil ; he then changed the whiskey for plain spirit, and got a headache ; but in estimating the factors which caused this headache, he seemed to leave entirely out of account the fact that he had been drinking whiskey for four days.

3848. And that the whiskey might have produced the headache, and not the plain spirit?—Quite so ; moreover, I found that he had not restricted himself to whiskey, but that he had violated a law which is not only common amongst scientific men, but a law which is a popular law ; he had mixed his liquors, and he had taken, in addition to the whiskey, and plain spirit, brandy of unknown origin, with his lunch.

3849. And, therefore, whatever result was produced in that individual case could not be taken as applying generally to the drinking of whiskey?—Certainly not. I might, perhaps, mention also that I made one experiment by inhalation bearing upon this, namely, that I inhaled fusel oil ; I found it altered the pulse, and about two hours after I had inhaled it I had a headache, which lasted a couple of hours. I was inclined to attribute this headache to inhalation of this fusel oil ; I had made one experiment, and had came to one conclusion, but next day I took no fusel oil, and got a headache at the same hour ; so that the second day's headache could not be due to the fusel oil ; nor was it on either day due to any spirit, because I had drunk neither spirit nor wine on either day, and the food I had taken was of the simplest possible character.

Chairman—continued.

3850. But in the case of the fusel oil, when you took it, did you find that it had a marked influence in raising the pulse?—A very marked influence ; it raised the pulse from 76 beats to 92 beats per minute ; in about two minutes afterwards the pulse rate sank to 88, and shortly after it sank to its normal state.

3851. Did you try it upon any other person but yourself?—I tried it upon another medical man, and I found that in him it had a similar effect. It did not raise the pulse so much, but the effect was more enduring ; it lasted in him some quarter of an hour or more.

3852. But if you had inhaled ethylic alcohol, pure spirit without any of the bye-products, would not the pulse have been raised also?—I tried that, and it was raised, but to a much slighter extent. I also thought that the mere movements of breathing might have some effect upon the pulse, but I tried that also, and it had no effect ; the pulse remained the same, though I had made several inhalations of pure air in exactly the same way as before, when I was experimenting upon the fusel oil and upon the alcohol.

3853. Might not the cause of that sudden raising of the pulse in that case have been due to nitrite of amyl which was present, and which has very markedly that effect?—It was so striking that at first I thought it was due to nitrite of amyl, because the nitrite of amyl raises the pulse very greatly ; it also causes sudden flushing of the face and fullness of the head ; but on repeating the experiment with some pure amylic alcohol, which Dr. Bell was kind enough to put at my disposal, I found that the symptoms produced by the fusel oil were the same as those produced by the amylic alcohol which he gave me to inhale, and were less marked than those produced by nitrite of amyl.

3854. Do you think that small quantities of these alcohols in the whiskey might have similar effects in raising the action of the pulse, and producing even impressions upon the head which might be agreeable to the persons who drank them?—I think it is quite possible ; I think that when taken internally they will probably have much the same effect as when inhaled. I know, for example, that with nitrite of amyl the same effect is produced when the patient takes it as when he inhales it, although more slowly ; and I think it probable that the amylic alcohol, when taken internally, will also produce the same effect upon the head as it does when inhaled. To me the sensations are very disagreeable, but I can quite fancy that to many people they would be agreeable, and that the presence of the amylic alcohol might lead some people to prefer a spirit containing it to one which was quite free from it.

3855. Have you ever tried whiskey which had been very much purified, and these bye-products got rid of, to find whether it was more agreeable than whiskey containing these bye-products?—I have not tried it myself, but some years ago a specimen was sent to me as the editor of a medical periodical. This whiskey was said to be particularly wholesome, because all the bye-products had been removed from it. I handed it over to a friend of mine who was more of a connoisseur than I was,

Chairman—continued.

I was, and his report was that it might be a very good spirit indeed, but it had lost all the whiskey flavour.

3856. The whiskey flavour which was agreeable to the taste of the drinkers of whiskey?—Yes.

3857. I think I gather from your evidence that you are of opinion that the subject of the physiological effects of small doses of these bye-products in whiskey is not sufficiently investigated yet by science?—I think not; I do not think that we have got any sufficient knowledge of the physiological action of these bye-products, either in small or large quantities, upon men to warrant any definite action.

3858. And you think that such experiments might be made with advantage to the public and to the industries affected?—I feel quite sure of it.

Mr. *Boord.*

3859. In addition to the investigation of the effect of the bye-products, such as the higher alcohols, you suggested that there might be another investigation also as to the alkaloids formed by the putrefaction of the materials in fermentation?—Yes; and I think it is just possible that the presence of these alkaloids, due to the use of bad materials, may account for some of the prejudice against so-called silent spirit; that if silent spirit is obtained by using a decayed or putrefying maize or rice, or potatoes, you have got a much greater likelihood of some of those alkaloids being present in it; and, therefore, that spirit obtained from them would be very much more likely to be injurious than spirit made from good grain.

3860. The various series of alkaloids are so numerous that there may be some with which we are unacquainted at present?—Certainly there are.

3861. Could you name any series which are known to exist in purifying matters such as might be used in fermentation?—Most of them belong to the so-called amines. There is one series in particular closely allied to an alkaloidal body called betaine. Betaine is obtained from beetroot, and closely allied to it are two or three other substances known as neurine, choline, and muscarine; all these and many others are formed during the putrefaction of albuminous material.

3862. And are they known to possess highly toxic effects?—They are. I may mention that the toxic action of these particular substances is not usually that of an effect upon the brain such as one knows under the name of intoxication, but there is one, namely, muscarine, which is not only formed as a product of putrefaction of albuminous material, but it is the active principle of a certain fungus. This fungus is used in Kamstchatka as an intoxicant in a very curious way. Supposing a man wishes to give a drinking party, on a Monday say, he eats fungus; on Tuesday he collects all his urine and invites his guests; they drink the urine and become drunk; they all collect their urine and drink it again; and perhaps they are able to keep drunk for one or two days more. At the end of that time the urine is too diluted to produce any further symptoms of intoxication. The reason why I mention this is that that particular alkaloid,

Mr. *Boord*—continued.

muscarine, is one of those formed by putrefaction of albuminous substances.

3863. But would muscarine be produced by the putrefaction of any substance that is at present used for the purposes of fermentation?—I cannot say positively, but I do not think that that particular series is the one that is most likely to find its way into distilled spirits; I think that those that are likely to find their way into distilled spirits belong to another series. I have already mentioned the pyridine series; in fact those that belong to the pyridine series are known to exist in distilled spirits.

3864. Then have you reason to believe that the toxic properties of any of these alkaloids is as great as that of the one you have mentioned to the Chairman, 1-96th part of a grain?—That I cannot say, because the investigation regarding the nature of the bye-products is so imperfect that one cannot make any positive statement regarding the extent of the physiological action.

3865. At any rate the only danger from these alkaloids of which you are now speaking would arise from the use of putrefying materials in fermentation; that is to say, assuming the matter to be fermenting for distillation to be pure and sound, there would be no danger from this source?—That I cannot say. It is just possible that some alkaloids might be formed along with the furfuran compounds; but a special investigation would be necessary to determine that point.

3866. You have made no experiments as to the ageing of spirits, as to changes in the higher alcohols which take place, and which presumably alter the quality in the manner we know as ageing?—No, I have made no experiments of that kind.

Colonel *Hill.*

3867. Although the product of the patent still is usually harmless, and there is no difference because of the source of origin, yet, if that source of origin be decayed or decomposed, it may produce a spirit which is injurious?—I should think so; I could not speak positively without definite data, which I have not got, but I should think it likely.

3868. Therefore, supposing a patent-still spirit, constructed from cheap material, such as grain in a decomposed state, or beet in an unwholesome condition, or other material, it would produce a spirit which would be deleterious and unsuitable for drinking?—I should think that it would; but, as I say, without definite experimental data, one could not give a positive opinion; I might be wrong; one would require to make the experiment definitely, to ferment some decayed maize or decayed potato, distil it in a patent still, and test the product, and see whether any alkaloidal impurities were present or not; it could only be tested by actual experiment.

3869. In your opinion it does not necessarily follow that spirit produced in a patent still is wholesome?—No.

Mr. *McEwan.*

3870. Even although the distillation had been most perfectly conducted?—I should think not; but as I said before that is only an opinion, and I have no definite data on which to ground it; I cannot say definitely one way or the other.

Mr. *Healy.*

3871. Do you think that the Canadians acted wisely in providing that whiskey should be retained two years in bond before consumption?—I think their action is quite a safe one, in providing a protection, which is also provided in the American Pharmacopœia. Whiskey is defined in the American Pharmacopœia (which I have brought with me), as "an alcoholic liquid obtained by the distillation of fermented grain, usually corn, wheat, or rye, and at least two years old," But in the United States that restriction applies to spirit as used for a medicine.

3872. We have had it in evidence that in Canada by recent Acts of the Legislature it is now provided that there shall be two years' delay before whiskey is drunk; two years' delay from the manufacture. I presume we may take it that science there has also fairly developed?—I should not say that science in Canada has developed quite to the same extent as it has in this country. The Canadian scientific institutions are on a much smaller scale than they are here, and they have not the same facilities for investigation that they have in this country.

3873. I suppose it would not be within your province to say that a mechanical and manufacturing definition of whiskey could be instituted; that is to say, a definition which should provide that what is sold as whiskey should be an article made from malt and distilled in a particular manner?—No, I could not speak as to that.

Sir *Henry Roscoe.*

3874. I gather from your evidence that whilst you suggest that the bye-products may possibly contain certain toxic materials, especially ptomaine and its derivatives, you have not yet any definite chemical evidence to show that these bodies are contained in the whiskies of commerce?—No; the only evidence which I have got has been in regard to alcohol used in Italy, and I do not know the source of it. Guareschi and Mosse found these pyridine compounds in fairly large quantities; but I do not know that the same observation has been made upon any spirit produced in this country.

3875. Supposing these bodies were to occur in small quantities in a raw whiskey, could you tell us from your own knowledge, what effect keeping that whiskey in bond, or keeping it in bottle or in cask, would have upon these toxic bodies?—I think most of them are pretty stable, and I should consider that they were not so likely to undergo change rapidly as the furfuran compounds.

3876. Then it is chiefly to the furfuran compounds that you look, as Dr. Bell, I think, also

Sir *Henry Roscoe*—continued.

does, for the explanation of the mellowing effect which age produces upon these spirits?—Yes; and it just suggested itself to me as possible that there might be some other bodies in the form of nitrites which might, by age, change possibly into nitrates. The nitrites are much more active physiologically, and produce much more marked symptoms than the nitrates; and any change which would convert the nitrite into nitrate would render the body much less active.

3877. Then I may take it, as your opinion, that with regard to the whole chemistry of the bye-products contained in these various kinds of whiskeys, we are only at the commencement of our knowledge?—Exactly so.

3878. And that investigations on this subject would lead naturally not only to interesting physiological and sanitary points, but might also have a considerable effect in an actually commercial direction?—I believe so, quite; and, more than that, I think it is quite possible that a thorough investigation of this subject might lead to a considerable diminution of crime. Of course here I speak also without sufficient definite data to go upon; but my belief is, that a great many criminal acts are due, not to the effect of the ethylic alcohol that a man has consumed, but to the effect of the bye-products with which this ethylic alcohol has been mixed. And I should like to point out again the peculiar effects in the case of compounds of furfur-alcohol and furfurol, as indicating that these substances may cause a form of actual madness. The dogs employed by Curci in his experiments, were evidently for the time being mad; he uses the word "rabid" in describing the effects produced upon the dogs by this furfurol.

3879. Then under these circumstances, and considering the position of science with regard to our knowledge of these matters, are you of opinion that it is desirable or not that any definite steps should be taken by the Legislature to place spirits compulsorily in bond, whether pot-spirit or other sorts of spirit, such as patent-still spirit?—I think not; I think that the evidence which one has got at present, is insufficient to justify a step of such importance, such a step as would interfere so much with commerce. In Canada where the commerce is nothing like to the same extent as here, it may be quite well to place a restriction of that kind; but I think that the interference with commerce in this country would be so great as to render it unjustifiable.

Chairman.] We are very much obliged to you for having paid so much attention to this matter.

Mr. Alfred Henry Allen, re-called; and further Examined.

Chairman.

3880. You have been continuing the experiments upon the whiskeys since you gave your evidence?—I have.

3881. What has been the chief nature of the experiments that you have made?—I have been trying to ascertain the fate of the amylic alcohol

Chairman—continued.

and constituents of fusel oil when the spirits were aged, and in order to do so, I have put a definite amount of fusel oil to pure proof spirit, and have then treated that spirit in a glass bottle with oak shavings, with a view of exaggerating the effect of an oaken cask, and getting any effect due

Chairman—continued.

due to the wood in a comparatively short time. The result of the experiments has been to show that the wood takes up the fusel oil in a very remarkable manner. Not only do the oak shavings do so, but cork parings answered similarly, though scarcely so satisfactorily.

3882. Have you numerical results to show that?—I have.

3883. Was it fusel oil or was it amylic alcohol that you used?—I used fusel oil, a specimen which I can show you here, a fusel oil as obtained from grain spirit. I put a definite quantity of that to the alcohol, and then treated this fuselated alcohol with the vegetable fibre, and I not only found that the spirit which was left contained materially less fusel oil after the treatment, but by taking those shavings and distilling them with steam, I got out the fusel oil in very large quantity; so much so, that whereas the spirit I used contained only $\frac{3}{4}$ per cent. of fusel oil, the spirit that came out of the wood contained $11\frac{1}{3}$ per cent.

Chairman—continued.

3884. The oak shavings had absorbed the fusel oil?—The oak shavings had absorbed the fusel oil; they gave it up again on being steamed. This is a specimen of the fusel oil that was used (*exhibiting the specimen*). *Here* is a specimen of the liquid that I obtained by steaming the oak shavings, which smells strongly of fusel oil, and *here* is some of the fuselated spirit after the treatment with shavings. You will see how very much improved it is. *Here* is the original fuselated spirit with three quarters per cent. of fusel oil. (*The Witness further examined the specimens.*)

3885. Did you try experiments with regard to the old whiskey casks, which I think are called "grog"?—Yes, I have examined the "grog," which is the technical name for the spirit which is got by steaming old whiskey casks, and it has given some very interesting results, which you will be able to follow better, perhaps, if I give you a copy of the table showing them.

THE following results were obtained by the analysis of samples of "Grog," which is the spirituous liquid obtained from old whiskey casks by steaming. Analyses of ordinary commercial samples of *Scotch* and *Irish Whiskey* are added for comparison.

	"Grog" from a Cask in which the Finest Whiskey had been kept 18 Years.		First Fraction obtained by Distilling a sample of "Grog."		Last Fraction obtained by Distilling a sample of "Grog."		Commercial Scotch Whiskey.		Commercial Irish Whiskey.	
Specific gravity	·9735		·8260		·9040		·9416		·9408	
Proof spirit	39·68 per cent. by measure.		161·86 per cent. by measure.		112·41 per cent. by measure.		81·17 per cent. by measure.		81·64 per cent. by measure.	
Absolute alcohol	18·46 per cent. by weight.		88·76 per cent. by weight.		56·32 per cent. by weight.		39·05 per cent. by weight.		39·30 per cent. by weight.	
	Parts per 100 Measures.	Grains per Proof Gallon.	Parts per 100 Measures.	Grains per Proof Gallon.	Parts per 100 Measures.	Grains per Proof Gallon.	Parts per 100 Measures.	Grains per Proof Gallon.	Parts per 100 Measures.	Grains per Proof Gallon.
Alcohol	17·97	31701·1	73·31	31704·5	50·91	31703·0	36·82	31741·4	36·38	31720·9
Free acid; in terms of acetic acid.	·012	21·2	·001	0·5	·012	7·5	·012	10·2	·006	6·8
Ethers; in terms of acetic ether.	·026	46·5	1·200	519·0	·123	76·7	·054	46·5	·027	23·1
Amylic alcohol	·165	291·0	—	—	1·290	803·4	·104	89·6	·092	78·8
Aldehyde	Strong trace		Marked amount		None		Strong trace		Trace.	
Furfurol	Strong trace		None		Very marked amount		Trace		Strong trace.	

Alfred H. Allen.

3886. Would you state what your results make?—The results were that the amylic alcohol distinctly goes into the wood, and can be extracted by steaming; also that a very large quantity of ethers can be extracted by steaming that wood. Taking the grog and fractioning it, taking the low-boiling portion and the high boiling portion separately, you find that the first fraction is rich in aldehyde and contains a quantity of acetic ether; actually no less than 1·2 per cent. of acetic ether is contained in the first fraction obtained by distilling this grog or spirit from the cask; that is equal to 519 grains per proof gallon. If you compare that with the amount found in ordinary whiskey, you see that it is a matter of 30 or 40 grains in the gallon in ordinary whiskey; whereas this is over 500 grains. So that there is no doubt whatever that etherification does occur in the cask. Also, that fraction is rich in aldehyde, which seems to show that there is an oxidising process going on, the alcohol becoming oxidised to aldehyde; and this, no doubt, in its turn, to acetic acid; but the acetic acid does not remain as such, because there is no excess of acid to be found in this grog; but it is apparently quickly converted into acetic ether.

3887. And furfurol you found in the last fraction of the distillation?—Yes, the last fraction of this grog was very rich in amylic alcohol and in furfurol. The amylic alcohol actually came to 1·29 per cent., or, calculated on the proof gallon, no less than 803 grains in a proof gallon of the spirit.

3888. I think, in your own evidence, and in the evidence of Dr. Bell, the difference of percentage in the amylic alcohol in old and new whiskeys was comparatively small as a per-

Chairman—continued.

centage; but still you think the accumulation of that absorption by the oak takes away a certain quantity?—Yes, I think that these experiments demonstrate beyond the possibility of doubt, not only that we have the curious fact of these things going into the wood, but also we have evidence in these figures that there is a chemical change which occurs as well as the physical change of being absorbed by the oak; otherwise we cannot account for this acetic ether.

3889. I think in one of the grog experiments made by you, you had a cask which had been kept filled with a finest brand of pot-still whiskey for 18 years?—Yes, that is shown on the table, and is a specimen of "grog." That is not fractionated; that is the actual grog got by steaming this cask which had been kept in bond for 18 years filled with one of the finest brands of whiskey. I do not know whether it had been used before that 18 years.

3890. It was not the same whiskey all the time, was it?—Yes, it was the same whiskey all the time; as I understand the history of it, it was the same whiskey all the time; it seems an extraordinarily long time.

Sir *Henry Roscoe.*

3891. Do not you think they filled the cask up from time to time, having first drawn it off?—I am not sufficiently acquainted with the details to answer with certainty.

3892. It would make a difference if every year the cask was filled up again; then the quantity of raw whiskey that would come into that cask, of course, would have been enormously greater than if the whiskey had been left 18 years without refilling?—I cannot accept the "enormously"; the loss of strength according to the Excise is only four per cent. in three years.

3893. Supposing it had been drawn off?—But the history which I had given me was that that was not the case; the history I had given me was that it was kept in bond 18 years filled with one of the finest brands of pot-still whiskey.

Chairman.

3894. You tried cork as well as wood?—I tried cork as well as wood and found it to answer, though not so well. I may say, in fact, the experiments originated in the observation that the cork which closed a stone bottle of whiskey which was kept lying on its side had acquired a very marked odour of fusel oil: it was a specimen of new whiskey, which had been sent to me for analysis, and by being kept on its side for some months it communicated to the cork a very marked odour of fusel oil; and when that cork, which did not occupy a volume of more than a third of an ounce, was steamed, it gave an amount of fusel oil equal to that present in six or eight ounces of that same whiskey.

Chairman—continued.

3895. Have you been making experiments with whiskey charged with fusel oil upon yourself?—Yes; not very systematic experiments, but for a matter of three weeks I took whiskey to which I had put first a half per cent., then one per cent., then two per cent., of fusel oil; I took a wineglass full, two ounces of it, every night, with one or two exceptions, during the three weeks, without any effect whatever; there was no headache in the morning, or anything of the kind.

3896. I suppose it would be very nauseous?—It was barely possible to drink it in the case of the larger amount. This is a specimen of whiskey with two per cent. of fusel oil in it (*producing a specimen*). These are the specimens of grog, the analytical results of which I have described (*producing them*). This is the first fraction of the grog, smelling strongly of acetic ether, and that is the last fraction which smells of amylic alcohol (*producing them*). I may say that the smell of that first fraction is not that of pure acetic ether; I think it is modified by the smell of aldehyde, which is not such an evil-smelling product as it is sometimes supposed to be.

Sir *Henry Roscoe.*

3897. Do you bring forward these fractions as the first analysis of this "grog" that has ever been made?—Yes, certainly. I do not believe any others have ever been made, at any rate not with the light which we now have, and the improved methods of analysis which we now have. I am not only able to separate the ethers and distinguish them from the amylic alcohol, but the estimation of the ethers is not confused in these cases by the presence of furfurol and of aldehyde. You see we estimate the ethers largely from the amount of alkali required to saponify them. This result is rendered erroneous by the presence of aldehyde and furfurol; but these were eliminated first of all, before determining the ethers in these experiments. *Here* is a specimen of aldehyde which is not quite so evil-smelling as it sometimes has the credit of being; and *here* is a product which is produced by the action of aldehyde on alcohol if they be kept together, and which is undoubtedly contained in matured spirits, a pleasant-flavoured substance called acetal.

3898. Have you ever obtained any evidence of the presence of acetal in spirit?—No, I do not know any test sufficiently delicate to detect it in the small quantity in which it presumably exists. But its presence in old wine and matured spirits is an acknowledged fact.

Chairman.] We are much obliged to you.

Inspector James Clark, called in; and Examined.

Chairman.

3899. What is your office in the Inland Revenue?—I am an inspector of the Inland Revenue.

3900. Have you been recently in Ireland engaged on inspection?—I have.

Chairman—continued.

3901. For how long?—For three months past.

3902. Did you receive any instructions from the Board of Inland Revenue, to make inquiries regarding the consumption of ether and of methylated

Chairman—continued.

methylated spirit?—I did, from the Chairman of the Board.

3903. Where did you make your investigation?—At Cookstown, Pomeroy, Magherafelt, and Draperstown.

3904. Did you see many persons in those districts?—We did. There was another inspector with me, and we saw 22 persons.

3905. Were they clergymen of different denominations, amongst others?—They were clergymen of the Irish Church, the Roman Catholic Church, and Presbyterian ministers.

3906. Doctors, did you see them?—We saw doctors, a clerk to a poor-law union, chemists, the Royal Irish Constabulary, grocers and others, who formerly sold ether.

3907. What was your impression on the examination, that the consumption of ether is increasing or decreasing in these districts?—We found that the ether drinking while prevalent a few years since, had been decreasing for the last two years or more; and that since ether was scheduled as a poison in the early part of this year, its use was rapidly decreasing.

3908. You are aware that the Rector of Cookstown thought that the scheduling had had very little effect in his district?—I am aware of that; I interviewed the Rev. Dr. Carter myself; but the evidence that he gave here and the impression he left on me after our interview were somewhat different.

3909. You mean that it was decreasing?—That it was decreasing.

3910. Have you any reason to suppose that there was a very considerable number of persons addicted to that practice in the districts you visited?—Not of late years.

3911. But formerly a considerable number?—20 or 30 years ago it was a very common practice indeed to have the ether bottle and the whiskey bottle standing on the counter together.

3912. But is that not so now?—Not so now, not anything of the kind.

3913. Did the persons that you interviewed seem to be of the opinion that the scheduling of ether was sufficient to diminish its consumption to a minimum?—They were of that opinion, excepting two gentlemen in the neighbourhood who were not of that opinion; they were afraid it would be continued privately, to some extent, but not to the extent that it had formerly been.

3914. Did you find that there was any sale in chemists' or druggists' shops, or in other places, of ether?—We found the sale in druggists' shops much restricted, to what it had been, and grocers who formerly sold it were not then selling it at all.

3915. In the district to which we are alluding just now, that ether district, did you find that methylated spirit was being sold at all?—We found no instance of methylated spirit being used in that neighbourhood, not one single instance; it was not known in fact.

3916. But did you go to Ballymena and its neighbourhood?—We did.

3917. And what did you find?—We found the drinking of methylated spirit to prevail to some extent in the neighbourhood of Ballymena, in what is called the district of the Braids, namely,

Chairman—continued.

the townland of Ballyligpatrick, and a few miles around that neighbourhood.

3918. Did you interview a number of representative persons there to find out whether it was a common practice?—We interviewed 21 persons, including ministers of the Presbyterian Church, doctors, chemists, the Royal Irish Constabulary, and persons who admitted that they drank methylated spirit.

3919. Did you find out whether methylated spirit was brought into the district from Belfast or other places?—We were informed that methylated spirit was brought from Belfast, and we returned to Belfast and pursued our inquiries there; but the statement that we had received was not confirmed, and in fact we found that no methylated spirit from places other than Ballymena was received in that neighbourhood.

3920. But how do the people at Ballymena get their methylated spirit?—They get it direct from the makers; those who have permit books and send out a quantity larger than a gallon.

3921. Must there be a permit for that purpose?—If more than a gallon there must be what is called a permit. A requisition is given to the person who sells it.

3922. Have you traced how much, under permit, of methylated spirit was used in this district?—I have traced it in Ballymena. The register kept by the Inland Revenue officer in Ballymena shows for the last year that 714 gallons was received by the chemists there; but of that quantity it would be impossible to say how much was used for legitimate purposes.

3923. Are there any manufactories in Ballymena where methylated spirit would naturally be used?—There are not.

3924. Then, practically, I fancy it would be used for the purpose of drinking?—And domestic purposes.

3925. That is to say, burning lamps. Are there any varnish-makers in the neighbourhood?—There are no varnish-makers in the neighbourhood.

3926. What is the character of the persons, so far as you could hear, who use methylated spirit for drinking purposes?—The small farmers, farm servants, and lower classes of artizans. A blacksmith, I found, drank it; but principally farm servants.

3927. Is the effect not very nauseous of drinking methylated spirit?—We were told that the effect of getting intoxicated is quicker than it is under any other intoxicant, and that the effect lasts longer; but there is not much difference between the effect of methylated spirit and bad whiskey; for instance, new whiskey.

3928. But is not the taste of methylated spirit nauseous?—Extremely so.

3929. But still they get accustomed to that?—They get accustomed to it because they take it diluted with water, cold or hot, with a little sugar added occasionally; and sometimes it is taken in tea.

3930. What do the doctors say is the effect of methylated spirit?—The doctors say that the effect is very serious, and after taking it for any length of time it impairs the brain.

3931. So will ordinary spirit?—So will ordi-

Chairman—continued.

nary spirit, but not to the same extent as methylated spirit.

3932. Have you any doubt that in the Braids district methylated spirit is used to a considerable extent?—I have no doubt whatever that it is used to a considerable extent.

3933. Did you ever hear of any other districts in Ireland where it is, to any extent, taken?—We heard of no other place than that around the Braids district, not even in Ballymena, or in any other place in Ireland except that particular place.

3934. What area would that district cover?—Probably about from five to eight miles; it is under the Slemish mountains, what is called the Slemish Electoral Division, so one of the doctors described it, where the drinking is confined to.

3935. Have the clergymen been trying to prevent the use of methylated spirit?—The Presbyterian ministers have denounced the practice of drinking methylated spirit from the pulpit, and in lectures, especially the Reverend James Maconachie. I name that gentleman because he has been before the public very much; he is most zealous in the cause; but he is of opinion that it will require stronger measures than he is able to employ to stop the practice.

3936. Have the Board of Inland Revenue yet taken any measures to prevent defrauding the revenue by the use of methylated spirit for potable purposes?—The Board of Inland Revenue have under consideration the question as to the desirability of modifying the composition of methylated spirit intended for retail purposes, and they also propose to take immediate steps under the Budget Act of last Session to issue regulations with regard to keeping a register of sales effected by methylated spirit retailers in the Ballymena district.

3937. What would be the effect of that; would that check the practice without further legislation?—It is hoped that this will be the means of checking the practice without further legislation.

3938. In the district where the methylated spirit is used, did you find ether drinking to prevail?—We found no instance of ether drinking in that neighbourhood; it was not known.

3939. Did you hear of any other district in Ireland where methylated spirit is used as a beverage, except where you went?—No other district excepting that one.

3940. Have you heard of its being used in England or Scotland at all?—I have not.

Sir *Edward Harland.*

3941. I can quite understand that you would not be able to trace the supplying of the methylated spirit from Belfast, seeing that it is not a matter of local manufacture?—It is made in Belfast. There are only two makers in Ireland; one in Belfast and one in Dublin.

3942. But there are a great many makers in England?—Yes.

3943. And you can readily fancy that sellers of it would prefer to send their orders to England rather than to a local supplier, lest this contraband use of it might be traced?—It might be so, but we found no evidence of the kind.

Sir *Edward Harland*—continued.

3944. A question was put as to whether you thought there were any other purposes for which it might be used. The River Braid runs down the valley and through Ballemena; are you aware that in that neighbourhood there are not only no manufactories of any kind requiring it, but also that there are very few private houses where it is at all likely that spirit lamps would be used?—We were informed that it was so. During the winter months it is used for singeing horses; it is cheaper than naphtha.

3945. So that in all probability it would be difficult to account for its use in any other way than for drinking purposes?—I should think that that is so.

3946. May I ask if you know whether anything else than methyl was originally used for the purpose of preventing its being used as a drink; was petroleum, for instance, ever used?—I am not aware.

3947. Was nothing ever mixed with the raw spirit in commerce, to prevent its being used for drink?—I am not aware that it was so in this country.

3948. I put the question, because I have understood that in the last few years methyl only has been used, and that since methyl only has been used, there is some one in some part of that neighbourhood who has discovered the method of distilling it over and so mixing the product with whiskey, making it, if anything, less nauseous to drink; did you get any evidence on that point?—No evidence of that, none whatever; and I think it would be impossible for a thing of that kind to be in existence without our officers knowing something of it, or the Royal Irish Constabulary.

3949. Do you think that, say, one gallon of this methylated spirit mixed with, say, nine or ten of the ordinary common whiskey of the neighbourhood, is a potable mixture?—Not at all. You could tell it in 500 gallons; you could tell a gallon of methylated spirit in any quantity.

3950. But would it not lessen the nauseous taste?—It would, undoubtedly.

Mr. *Boord.*

3951. I did not quite understand what you said about the proposal that the Inland Revenue have under consideration; do they propose to alter the method of mixing methylated spirits?—With regard to that sold by the retailers, that is under consideration. I do not know what will be the result of the Board's consideration; but it is under the consideration of the Board at the present time.

3952. To use something other than methyl alcohol?—Yes, for that which is sold by the retailers; not for that which is used in the arts and manufactures; I could not go into the question with regard to that.

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APPENDIX.

APPENDIX, No. 1.

PAPER handed in by the Excise, 10 February 1891.

PRÉCIS of Physiological Effects of ALCOHOL and FUSEL OIL.

The action of alcohol on the system depends on various circumstances, such as the degree of concentration, the dose taken, whether used regularly, or only in isolated cases, &c.

There are two kinds of alcoholic poisoning, viz., "acute" and "chronic."

The acute form may occur by taking alcohol direct into the stomach, or by inhaling alcohol vapour, or even absorption of alcohol by suppurating wounds may result in the symptoms of alcoholic poisoning (a).i

(a) *Chedevergne*—Bull, gen. de thér, LXVII ; and *Péronne*—"De l'alcoolisme dans ses rapports avec le traumatisme."

The acute form appears very quickly, from 15 minutes to one hour, with larger quantities immediately on entering the stomach. This is due to its rapid absorption by the mucous membrane. Fatal doses act immediately, or within 24 hours, rarely requiring a longer time. Death results from paralysis of the heart, or of the respiratory centres in the medulla oblongata.

With regard to the *amount of the fatal dose*, Taylor (a[1]) reports the death of a three-year old boy after drinking 75 grams of gin. A boy seven years old succumbed after drinking 100-120 grams of brandy, as well as a man who, in two hours, drank two bottles of port wine, containing 330 grams of alcohol.

(a[1]) Taylor, on Poisons, 3rd edn., London, 1875 (Churchill), p. 635.

Hallin (b) relates the case of a 12-year-old boy, who, after drinking 100 cc's of strong brandy, became unconscious in about an hour, and died after 24 hours.

Deutsch reports the death from acute alcoholic poisoning of a six-months-old child after taking two tablespoonfuls* of 60 per cent. spirit.

(b) *Vide* Dr. Seydel, "Death from abuse of alcohol and its forensic proof."

* Eszläffel.

(c) According to *Dujardin-Beaumetz and Audijé*, the fatal dose in the case of dogs amounts to only five to six grams per kilo. of the animals' weight, which agrees with the earlier experiments of Lussanna and Albertoni (d).

(c) Recherches expérimentales sur la puissance toxique des alcools (Paris, 1879), Doin, page 11.

The chronic form gives rise to the numerous and well-known symptoms seen in habitual drinkers (details of which are given in the text).

(d) Sull' alcool, sull' aldeidote (Padova, 1874).

(e) *Dr. Fürst* found on testing the action of fusel oil on the animal organism that doses smaller than the amounts contained in alcohol had first a stimulating, then a depressing effect ; that the depression reached even stupefaction but disappeared later. Larger doses (two to four drachms at a time) quickly killed dogs and rabbits, causing a gangrenous disorganisation of the mucous membrane of the stomach. This is contrary to Husz's observations (*see* below).

(e) Report in Constatt's Annual, 1844, vol. IV., 1845, page 271, of the organ of the Prussian Commercial Union, 1824, Nos. 1123 and 1124.

Cros (f) states that amyl alcohol, even in weak doses' has very injurious effects, and even brings about a rapid death.

(f) *Vide* "Action de l'alcool amylique sur l'organisme," Strasburg, 1883.

Richardson (g) in his "Physiological Research on Alcohols," states butyl alcohol to be more serious in its poisonous effects than the lower alcohols, and that amyl alcohol is more active than butyl alcohol.

(g) *Vide* "Medical Times and Gazette," December 1869, and six Cantor Lectures on Alcohol (Macmillan & Co., London, 1880).

Rabutean (h) came to the same conclusion after experimenting upon frogs and guinea-pigs, the higher the molecular weight the more poisonous the nature of monohydric alcohols of the fatty series. He is of opinion that the evil effects of the abuse of alcohol are not due to ethyl alcohol, but to small amounts of poison-

(h) *Vide* Report of "Congrès International pour l'Etude des questions relatives à l'alcoolisme, tenu à Paris du 13–16 Août, 1878" (Paris, 1879, p. 50).

ous substances occurring in the so-called commercial alcohol.

The most careful and most extensive experiments on these questions have been made by the two French investigators, *Dujardin-Beaumetz and Audijé* (i).

(i) "Recherches experimentales sur la puissance toxique des alcools" (Paris, 1879, Doin); and "Recherches experimentales sur l'alcoolisme chronique" (Paris, 1884).

Their investigations were upon the *toxic action and fatal dose* of individual fermentation alcohols and other impurities occuring in spirit, also the connection between the action of these substances and chronic alcoholism.

With regard to the fatal dose they found that doses of 5–6 grams per kilo. of the dog's weight were sufficient to cause death, that 3·8 to 3·9 grammes of propyl alcohol sufficed to bring about the same result in 24 hours if the alcohol was pure, and 3·7 to 3·8 grammes when the alcohol was diluted. The limit for butyl alcohol under similar conditions was from 1·8 to 1·85 gramme, and for amyl alcohol 1·5 gramme per kilo. of the dog's weight.

The conclusions of Dujardin-Beaumetz and Audijé were as follows: (a) All alcohols, whether belonging to the monobasic or polybasic series have poisonous properties. (b) In the monobasic series the strength of the poisonous action depends on (1) the atomic structure of the alcohols and their origin; alcohols of the same origin are the more poisonous the higher their molecular weight, (2) their solubility. An alcohol can exert a poisonous action only when it is soluble or made so by substances in the organism, (3) the nature of the decompositions which it can undergo, whether in the air or in the organism, the presence of aldehydes and ethers increases the poisonous properties of alcohols, (4) the different manner in which they are introduced into the system.

These two French experts made their experiments (for which every facility was afforded them by Mr. Smith, the "Spirit King," of Stockholm) upon pigs, because the digestive apparatus of the pig is very similar to that of man, and also because the pig is the only animal that willingly taks spirits with his food. Eighteen three-months-old animals, of same breed and size, were taken, and measured quantities of spirits (one sort at a time), including beet-spirit, potato-spirit, or corn-spirit, were given with their food, partly in a purified state, as far as possible freed from fusel oil, partly in the raw state containing fusel oil. Finally, pure ethyl alcohol was administered to them.

Conclusions.

Dujardin-Beumetz and Audijé, after a course of experiments upon pigs, extending over nearly three years, conclude that—

1. General.—The slow continued administration of alcohols after a certain time caused definite anatomical changes as follows: (a) A congested and inflamed state of the digestive organs and liver; (b) congestion of the lungs, with escape of blood into the tissues; (c) an athermatose degeneration of the walls of the vessels, particularly the main arteries; (d) hæmorrhage in the muscles and cellular tissues.

2. Particular Effects.—According to the quantity of the alcohol administered (a) after treatment for 30 months with the pure alcohol from wine or other spirit completely purified, the changes in the animal organs above-mentioned were only insignificant and indistinct; (b) when raw or badly purified spirit (whether from beetroot, potatoes, or corn) was used, the abnormal conditions became apparent in the animal after a few months.

The French experimenters lament that their results were so small compared with the time and labour expended on their experiments, but are convinced that their previous conclusions are confirmed, namely, that the pernicious effects of the spirit-drinking are due to the slow and accumulative absorption of the poisonous impurities contained in the alcohol.

(j) Studies on the poisonous nature of the impurities in potato-spirit on human beings. Original researches by Dr. Brockhaus, practising physician in Godesberg.

In *Germany* has also been investigated this question, particularly by Brockhaus (j) under the direction of Binz. They experimented with six of the principal ingredients in potato spirit: aldehyde, paraldehyde, acetal, propyl-isobutyl, and amyl alcohols, the former three occurring in the first runnings, the latter three being the principal constituents of fusel oil.

As the result of his experiments, Brockhaus states his opinion that "the impurities of potato spirit exert an incomparably stronger action on the human organism than does ethyl alcohol, and that the impurities in ordinary kinds of spirit play an essential part in the development of diseases due to drinking." *Dr. Brockhaus finally*

finally makes the following practical suggestions: (1) That it be forbidden to sell or keep for sale impure spirit; (2) as the purification of the ordinary cheap kinds of spirit for consumption is only partially effected by the methods used up till now, and as pure ethyl in concentrated state is not without effect upon the human system, the use of such spirit for drinking purposes should be subject to control.

The question of the impurities in alcohol has been discussed to a greater extent in France than in Germany, the opportunities for making comparisons between the effects of wine-drinking and brandy-drinking being greater in France than in other countries.

According to the charts drawn up by *Lunier* (a Parisian doctor) the evil effects of the abuse of alcohol are much more prevalent in the spirit consuming than in the wine-drinking districts (k).

(k) *Vide* "De la production et la consommation des boissons alcooliques en France, et de leur influence sur la santé physique et intellectuelle des populations," par M. le docteur Lunier (Paris, 1877, Savy).

Wine may, however, be no less injurious than spirit if, as is the practice in France, the wine is fortified* by alcohol not derived from wine itself, but from impure spirits† (impure brandy).

* Alkoholiziren.

† Nicht reinen Branntweinen.

A French commission appointed in 1870 to investigate the question, considered in their session of 1886 (l), the decrease in the consumption of wine and the increase in the consumption of spirit† in France, and the increasing number of cases of injury to health arising from use of spirit distilled from grapes, fruits, beetroot, corn, and potatoes. They considered the injurious effects of these to be due to the higher alcohols, but that these might be made fit for consumption by careful rectification.

(l) Bulletin de l'Acedémie de Médicine, 1886, vol. 16, p. 10.

Laborde and Magnau (m) also investigated the poisonous action of the higher alcohols and the artificial bouquets, the characteristic effect being convulsive action.

(m) "De la toxité des alcools dits supérieurs et des bouquets artificiels," Bull, de l'Acad. de Méd., 1887, vol. 18, p. 453; and 1888, No. 40, p. 470.

These experiments are important in so far as they show that besides fusel oil there are other impurities in alcohols which have been in many cases responsible for the effects attributed to fusel oil alone.

Impurities other than fusel oil (a) *aldehyde* (*acetaldehyde*).—Its anæsthetic action was proved by Boutigny (n) by experiments made on himself, and by Poggiale, who experimented upon dogs (o), Lussanna and Albertoni (p) found 70 c.g. per kilo. of living weight acted fatally when injected into the venous system, and that 30 c.g. per kilo. had an intoxicating effect.

(n) Compt. Rend., 1847, p. 904.
(o) Ebenda, 1848, p. 337.
(p) Sull' alcool, sull' aldcide, &c. Lo experimentale, 1874, p. 753.

They observed three stages according to the dose given: excitability, drunkenness, suffocation.* The fatal dose taken through the mouth is five times as strong as that when directly introduced into the blood. It is taken up by all the mucous membranes, especially of the lungs, and in places even a 5 per cent. solution acts as a caustic.

* Athemnoth.

Brockhaus (q) *found by experiments on himself* that aldehyde has a strongly irritating effect upon the mucous membranes of the lungs and digestive organs, and finally acts upon the nervous system.

(q) Loc. cit., p. 152.

(b) *Furfurol.*—Furfurol is also an aldehyde, but occurs in such small amounts in spirit that the importance attributed to it, as an impurity, by Laborde and Magnau, must be considered as exaggerated. As to its action, nothing of importance could be found by Laborde, in literature, on the subject.

According to Brockhaus, the action of alcohol and of paraldehyde is not so strong as that of aldehyde, but lasts longer.

Dr. Magnus Husz, a Swedish physician, has made a special study of the action of alcohol on the system, and has published his researches in his "Chronische Alkoholkrankheit," translated by Busch, of Leipsig.

C. E. Fritze, Stockholm and Leipsig, 1852.

The following refers to the question as to whether alcoholic diseases are due to the alcohol alone, or more or less to the foreign ingredients present in it.

He studied each of these ingredients separately, and discussed first fusel oil "as it occurs in unpurified spirit made from potatoes."

He found that the evil consequences of the abuse of spirit first became really conspicuous (especially cases of delirium tremens) after the discovery of spirit-making from potatoes. Certainly such cases are much more frequent than formerly when spirit was made only from corn or from tree-fruits. Moreover, this discovery so reduced the price of spirit that the working classes could more easily procure it and so consumed greater quantities.

To ascertain whether these evil effects were due to the abuse of alcohol itself or to the amount of fusel oil in it, he refers to a series of experiments made by Professor Dahlström, of the Stockholm Veterinary School.

Dahlström gave to three full-grown dogs 6 oz. of four per cent. spirit once a day for eight months. The first took it in a purified state and free from fusel oil, the others took it unpurified, and mixed with fusel oil. The one died in the eighth month, its vital forces exhausted; the others were killed at the end of the same month.

Husz found that while the symptoms agreed with those in the case of human beings suffering from chronic alcoholism, yet no difference could be noticed in the symptoms in the case of the dogs treated with spirit containing fusel oil and pure spirit respectively.

To test the *effect of fusel oil alone* Dahlström administered it to a dog in the form of bread pills for from six to seven weeks, increasing the dose from 4–120 drops. No signs of poisoning appeared. The only effect seemed to be increased thirst, and hoarseness in the bark, but the appetite remained good and no signs of trembling or muscular weakness appeared. At the end of the experiment the dog was healthy; he was killed later, and on post-mortem examination no diseased conditions were found.

Hasz has made several *experiments also on human beings*, but only in small doses, however, and during short periods. He found doses of one-eighth to one-half grain of fusel oil had no other effect than causing a feeling of warmth in the stomach. From one to two grains caused nausea, tightness of the chest, sometimes a transitory feeling of confusion in the head with restlessness of the eyes; in doses of three to four grains it acted as a strong irritant on the stomach and alimentary canal, causing a feeling of heat and burning in the region of the stomach, vomiting, colic pains, and diarrhœa. Fusel oil would then become so repulsive to those that had taken it that the mere smell would make them ill; on which account it was seldom possible to continue its use even in small doses for long periods. These results were obtained by acting on people not addicted to the abuse of spirit. The statement made by Husz is very remarkable, that in the case of drunkards, certain definite proportions of fusel oil, given medicinally, is beneficial; it is even used in medical prescriptions. Husz points out that the amount of fusel oil in spirit is so small that the drinker takes at most from one-half to one grain in 12 to 15 "drinks," and probably less; so that when we consider the large doses of fusel oil taken by the above-mentioned dog, without injurious consequences, we cannot ascribe to fusel oil any essential part in the production of the symptoms of chronic alcoholism which occur in the case of hard drinkers. Moreover, the same symptoms appear in the case of persons who have never drunk potato spirit, but who have been addicted to excessive use of cognac, arrack, or rum.

Husz came to the conclusion that the injurious effects are due principally to alcohol, and that the amount of fusel oil is only accidental but may possibly increase or hasten the action of the alcohol, specially as experiments on healthy subjects demonstrate its strong stimulative action on the mucous membrane of the stomach and alimentary canal.

Husz noticed that in the summer and autumn of 1849, injurious effects of alcohol drinking were unusually prevalent in Stockholm. On investigation he found that the spirit had been made from bad raw material, *e.g.*, rotten potatoes, mildewed corn, &c. The particular ingredient causing these effects was known as "stich," but probably corresponds to aldehyde.

Returning to the question of the *action of fusel oil*, Baer (r) states that Husz and Dahlström's experiments (which proved that alcohol, and not fusel oil, was the injurious ingredient in spirits) are not be relied upon, because, at that time, spirit could be but imperfectly purified in Sweden, and with regard to the experiments with fusel oil alone, in the form in which it was employed, it could not be (or at any rate only to a small extent) absorbed so as to act on the system. Other experiments, however, of later date, support the views of Husz and Dahlström.

(r) "Die Verunreinigungen des Trinkbranntweins, p. 41.

Stenberg (s), for instance, in 1878, found in his experiments on rabbits that treatment with a mixture of water with alcohol (46 per cent. by volume), or with potato spirit, both raw and purified by charcoal, made no difference in the nature and intensity of the intoxicating effects produced.

(s) Archiv. f. exp. Path. x., p. 356.

(t) Eulenberg, Real Enzyklopädie der gesammten Heilkunde, 2nd edition, 1885; Binz's Article on "Alkoholismus," page 309.

(u) Baer—"Physiological experiments with volatile substances occurring in brandy," Vienna, 1884.

Binz (t) questions the suitability of rabbits for these experiments. On the other hand, Professor Hamberg (u), of Stockholm, found by experiments upon himself that *ethyl alcohol is the substance which is responsible for the injurious effects* of the abuse of spirit (brandy) and malt liquors. For several weeks he took the different alcohols occurring in raw spirit, then aldehyde, in various proportions, partly in water, partly in brandy, with ethyl-alcohol and the so-called "fusel brandy."

Baer will not accept these results but insists on difference in the action of the individual substances.

Straszmann states that the action of amyl alcohol when taken a long time, varies with the amount of the dose. By his experiments made upon dogs Straszmann found that an addition of three per cent. amyl alcohol to spirit considerably aggravated the symptoms of alcoholism, and the period required for fatal effect reduced to less than half the time usually taken, while one per cent. of amyl alcohol made certain symptoms more pronounced, and hastened, in some degree, the approach of death. "With over 1½ per cent. of fusel oil the nerves were more strongly affected, but duration of life was not shortened compared with the use of pure alcohol. That three-tenths per cent. of fusel oil would show no more injurious effects than would pure alcohol."

Straszmann concluded his treatise on the subject by the following observations: "* * * * * * (moralising on the evils of the national mania for alcoholic drinks, and concluding with a quotation from the French Annales d'hygiène. 1888), long-continued researches, methodically conducted, utilising all the resources of chemistry, physiology, and clinical observation, are necessary in order to clear up a great number of points as yet obscure in the question of 'Alcoholism.'"

APPENDIX, No. 2.

PAPER handed in by Mr. *A. H. Allen*, 10 February 1891.

A.—Apparent Amylic Alcohol in Whiskey, &c.

			Per 100 of Proof Spirit.	Grains per Proof Gallon.
Sir Charles Cameron	–	Poteen	0·184	128·8
A. Duprè, 1877	1877	Scotch Whiskey	0·095	66·5
		Cape Smoke	0·120	84·0
		Common Samshoe	0·090	63·0
A. H. Allen	1890	Irish Whiskey:		
		Disputed Sample	0·070	49·0
		1. Typical Samples	0·077	53·9
		2. Typical Samples	0·114	79·8
		3. Typical Samples	0·061	42·7
		4. Typical Samples	0·069	48·3
		5 Typical Samples	0·078	54·6
		6. Old	0·087	60·9
		7. New	0·080	56·0
		Scotch Whiskey:		
		1. New	0·085	59·5
		2. Old	0·080	56·0
		3. New	0·062	43·4
James Bell	1890	A. New	0·120	84·0
		A. Old	0·140	98·0
		B. New	0·090	63·0
		B. Old	0·120	84·0
		C. New	0·080	56·0
		C. Old	0·140	98·0
		D. New	0·060	42·0
		D. Old	0·070	49·0
		Silent Spirit:		
		Native New	0·027	18·9
		Native Old	0·027	18·9
		Foreign, New	0·009	6·3
Szilagyi	1890	Raw Hungarian Spirits:		
		From Potatoes	0·13	91
		From Potatoes	0·16	112
		„ Turnips	0·39	273
		„ Turnips	0·42	294
		„ Maize	0·11	77
		„ Maize and Potatoes	0·18	126
		„ Molasses	0·18	126

B.—Results of Analyses of Whiskies.

No.	Distillery.	Age.	Mode of Storing.	Aldehyde.	Furfurol.	Amyl Alcohol. Apparent.	Amyl Alcohol. Real.	Remarks.
						Per Cent.	*Per Cent.*	
1	Pot-still Whiskies	New	– –	Doubtful	Present	0·059	0·0465	Furfurol apparently equal in the two samples.
							0·0430	
2	„ „	8 years	Wood	„	„	0·034	0·0115	
							0·0110	
3	„ „	8 „	Plain wood	Present	Present	–	–	
4	„ „	1890	– –	Absent	Present	0·087	–	Furfurol apparently equal.
5	„ „	1884	Wood	„	„	0·080	–	
6	„ „	3 years	Glass	Doubtful	„	–	–	Furfurol apparently equal.
		3 „	Wood	Present	„	–	–	
7	„ „	3 weeks	– –	Doubtful	„	0·061	0·033	No alteration in the aldehyde or furfurol noticeable by ageing.
8	„ „	4 years	Wood	„	„	–	–	
9	„ „	12 „	„	„	„	–	0·013	
10	„ „	2 „	Glass	Present	„	–	–	Aldehyde stronger in glass than wood sample. Furfurol equal.
11	„ „	2 „	Wood	„	„	–	–	
12	Patent-still „	New	– –	None	None	–	–	
13	„ „	New	– –	„	Doubtful	–	–	
14	„ „	Old	Wood	Slight trace.	„	–	–	

APPENDIX, No. 3.

PAPER handed in by Mr. *Laurence Malone*, 24 February 1891.

Public Analyst's Laboratory, 67, Surrey-street, Sheffield,
20 February 1891.

REPORT on a Sample of New Whiskey, marked "G. R., Thomas Street,' received from the Dublin Distillers' Company, Limited, on 11th February 1890.

The following results were obtained by the analysis of the sample :—

Specific Gravity	·8852
Corresponding to — Proof Spirit	126·01 per cent.
Corresponding to — Absolute Alcohol	64·48 per cent by weight.

	Parts by Weight per 100 Measures.	Grains per Proof Gallon.
Alcohol	54·94	30519·83
Extractive Matter	0·0080	4·41
Free Acid, in terms of Acetic Acid	0·0018	1·00
Ethers, &c., in terms of Acetic Ether	0·0369	20·58
Amylic Alcohol	0·0690	38·33

Alfred H. Allen.

REPORT on a Sample of New Whiskey, marked "◇J Marrowbone Lane," received from the Dublin Distillers' Company, Limited, on 14th February 1891.

The following results were obtained by the analysis of the sample :—

Specific Gravity	·8876
Corresponding to — Proof Spirit	124·30 per cent.
Corresponding to — Absolute Alcohol	63·43 per cent. by weight.

	Parts by Weight per 100 Measures.	Grains per Proof Gallon.
Alcohol	55·56	31288·84
Extractive Matter	0·0065	3·64
Free Acid, in terms of Acetic Acid	0·0024	1·35
Ethers, &c., in terms of Acetic Ether	0·0317	17·78
Amylic Alcohol	0·0460	25·90

Alfred H. Allen.

REPORT on a Sample of New Whiskey, marked "D.W.D., Jones' Road," received from the Dublin Distillers' Company, Limited, on 11th February 1891.

The following results were obtained by the analysis of the sample :—

Specific Gravity	·8852
Corresponding to — Proof Spirit	126·01 per cent.
Corresponding to — Absolute Alcohol	64·48 per cent.

	Parts by Weight per 100 Measures.	Grains per Proof Gallon.
Alcohol	54·94	30519·83
Extractive Matter	0·0068	3·78
Free Acid, in terms of Acetic Acid	0·0018	1·00
Ethers, &c., in terms of Acetic Ether	0·0369	20·58
Amylic Alcohol	0·0490	27·22

Alfred H. Allen.

APPENDIX, No. 4.

PAPER handed in by Dr. *Bell*. April 1891.

BRITISH AND FOREIGN SPIRITS.

Estimation of the Free Acids in Spirits.

50 c.c. of the spirit at proof strength are introduced into a glass retort and distilled to dryness by the aid of a gentle heat. The distillate is exactly neutralised with pure decinormal hydrate of barium, phenol phthalein solution being used throughout to indicate when the neutral point is reached. The solution of the barium salt is then evaporated to dryness in a platinum capsule, and the weight of dry salt ascertained. The salt is afterwards dissolved in water without removing it from the capsule, and decinormal sulphuric acid is added in quantity slightly greater than the $\frac{N}{10}$ barium previously used, whereby the whole of the barium is converted into Barium Sulphate. This is brought to dryness and afterwards ignited for a few seconds, whereby the slight excess of sulphuric acid is expelled and pure sulphate of barium only left in the capsule. The weight of sulphate of barium is then ascertained, and from this and the amount of barium salt of the organic acids previously obtained, the actual and the molecular weights of the mixed acids are determined by calculation.

Note.—The amounts of acids, compound ethers, and higher alcohols, shown in the several analyses express weight in 100 volumes of alcohol at "proof" strength.

Estimation of the Compound Ethers in Spirits.

50 c.c. of the spirit at proof strength, if nearly colourless, is directly neutralised with $\frac{N}{10}$ barium solution; but if much coloured the spirit is first distilled, as in the case of the estimation of the free acids, before neutralising. The exactly neutral spirit is placed in a glass retort and distilled to dryness. The first portion of the distillate measuring 30 c.c., is collected separately from the last fraction of rather more than 20 c.c. The distillates are placed in two strong assay flasks, and an exact quantity of decinormal barium solution added to the extent of 3 or 4 c.c., greater than experience had shown to be necessary to decompose all the ethers. The flasks are then secured with indiarubber corks tied down with leather or canvas, and kept at a temperature of nearly 212° F. for three hours. The separation of the distillates into two parts affords a useful qualitative test as to the character of the compound ethers present. When the ethers consist chiefly of acetic ether, about , only of the whole will be found in the second fraction; but where the higher combined acids, especially those of the vegetable fats, are present in more than average quantity, the proportion of compound ether in the last fraction will equal $\frac{1}{3}$ or $\frac{1}{4}$ of the total ethers. After saponification is complete and the contents of the flasks cooled, decinormal sulphuric acid is run in until the excess of barium has been neutralised. The quantity of barium solution originally used, therefore, less the quantity left after saponification, expresses the amount of combined acids in the ethers in terms of decinormal strength. Taking acetic ether as the basis for calculation we obtain ·0088 gram. of acetic ether for every c.c. of $\frac{N}{10}$ barium used in the saponification; from which the total weight of ether present is calculated according to the actual proportion of barium solution used in the decomposition of the ether. To obtain the molecular and actual weights of the mixed acids, the residues in the flasks, after being neutralised with sulphuric acid, are mixed and evaporated to one-third, the sulphate of barium filtered, and the filtrate which now contains only barium salts of the organic acids, is evaporated to dryness, and the weight ascertained. The salt is treated exactly as in the case of that obtained from the "free acids," the results affording data from which the molecular and actual weights of the combined acids can be ascertained.

To determine the quantity of each acid it is necessary to operate upon from 200 c.c. to 500 c.c., according to the amount of compound ethers present. The barium salt is obtained in the manner above stated, its weight determined, and after being dissolved in water is placed in a suitable retort and distilled with successive quantities of $\frac{N}{10}$ S O ^{3}, say from 8 c.c. to 12 c.c., according to the quantity of individual acids judged to be present. The several fractions are kept distinct, neutralised with barium solution, evaporated to dryness, and the weight and combining equivalent of the acids determined, as detailed under "free acids."

To determine the difficult problem as to what extent the higher alcohols exist as alcohol radicles in the compound ethers, the furfurol reaction has been utilised. When pure alcohol is mixed with, say, $\frac{1}{10}$ of one per cent. of a compound ether containing the radicle of amyl alcohol, the characteristic purple colour is not produced when furfurol and concentrated sulphuric acid are added thereto. But if the ether be decomposed and the amyl alcohol set free the furfurol reaction is then obtained. The results obtained from the application of this method show that the higher alcohols exist as radicles in the compound only in minute proportion.

Estimation of the Higher Alcohols in Spirits.

100 c.c. of the spirit at proof strength are digested with a sufficiency of barium hydrate to neutralise the free acids and decompose all the compound ethers present. The alcohol is then distilled completely from the barium salts, and diluted with distilled water to a specific gravity of ·979=30 per cent. of proof spirit. The diluted spirit is introduced into a glass separator with 35 c.c. of chloroform, and briskly shaken for two or three minutes. The chloroform is allowed to settle down, and is then drawn off. This operation is repeated twice with similar quantities of chloroform, and afterwards the three chloroform extracts are placed together in a separator and well shaken with an equal volume of distilled water, in order to free the chloroform from any ethylic alcohol. The washing process is performed three times. To the chloroform extract, now measuring over 100 c.c., are added from 15 to 30 c.c. of decinormal permanganate of potassium, according to the nature of the spirit tested, and 10 c.c. of normal sulphuric acid. The flask containing the mixture is secured with an india-rubber stopper tied down with canvas and kept in a cupboard, having a temperature of about 80° F., for three days, the mixture being well shaken from time to time during that period. If it be observed that the permanganate is becomingnearly all de-oxidised, a further quantity of from 5 to 15 c.c. is added to the chloroform mixture. After oxidation is regarded

regarded as complete, a few drops of sulphurous acid are added to decolourise the unchanged permanganate, and a quantity of normal soda is added to produce a distinctly alkaline reaction. The whole is again returned to the separator, and strongly shaken up, so as to wash out from the chloroform any of the organic acids which may have passed into solution. The chloroform is run off, and again kept in contact for a day or two, with a few c.c's of permanganate solution and sulphuric acid, in order to prove whether complete oxidation of the alcohols has taken place or not. The alkaline solution of the organic acids is rendered slightly acid, with sulphuric acid and sulphate of silver added, until it ceases to produce a precipitate. The silver chloride and insoluble oxide of manganese are filtered off, and the colourless filtrate introduced into a suitable glass retort with 10 c.c. of normal sulphuric acid, and the organic acids completely distilled into a solution of pure decinormal barium hydrate. The solution of barium salt obtained and rendered perfectly neutral, is then evaporated to dryness in a platinum capsule, weighed, and subsequently estimated in the same way as the barium salt, from the free acids, and those obtained from the compound ethers. In estimating the amount of the alcohols from the ascertained weight of the acids obtained from the oxidation of the higher alcohols, the factor ·84 is used as a multiplier, which is found in agreement with the average combining equivalent of the mixed higher acids.

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[*N.B.*—In this Index the Figures following the Names of the Witnesses, and those in the Analysis of Evidence of each Witness, refer to the Questions in the Evidence; the Figures following *App.* refer to the Pages in the Appendix; and the Numerals following *Rep.* to the Pages in the Report and Proceedings of the Committee.]

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G.

Geneva. Total import of 304,493 gallons in 1890, *Rep.* iv.

German Spirit. Conclusion as to the impure character of potato spirit and other spirit imported from Germany; reference hereon to certain evidence of Mr. Williams, Excise collector at Dundee, *Ross* 1966–1982. 1994. 2015–2021. 2073–2075. 2130–2138. 2152–2161——Calculation as to the quantity of German spirit used for methylating purposes, *ib.* 2165–2178.

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I.

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L.

Lubbock, Nevile. (Analysis of his Evidence.)—As Chairman of the West India Committee witness submits information as to the manufacture of rum in the West Indies, from the juice of the sugar cane or from molasses, and complains that spirit, not made from the cane, is allowed by the Customs to be imported from Hamburg and elsewhere under the name of rum, 3296 *et seq.*

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Merchandise Marks Act. View of the Committee that under this Act both the Inland Revenue and the Customs might make rules for preventing frauds by more precise discriptions of spirits, so long as they remain in or are delivered from bond, *Rep.* x.

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Brought from the Lords, 30th July 1891.

REPORT

FROM THE

SELECT COMMITTEE OF THE HOUSE OF LORDS

ON THE

CHILDREN'S LIFE INSURANCE BILL [H.L.];

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

MINUTES OF EVIDENCE,

AND APPENDIX.

Ordered, by The House of Commons, *to be Printed,*
1 *August* 1891.

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REPORT.

BY THE SELECT COMMITTEE appointed to consider the CHILDREN'S LIFE INSURANCE BILL (H.L.), and to Report to the House.

ORDERED TO REPORT.

THAT the Committee have met, and have taken evidence on the subject of the said Bill, but they do not consider it expedient to proceed further therewith.

And the Committee have directed the Minutes of Proceedings and Evidence, with Appendix, to be laid before your Lordships.

The Committee cannot separate without expressing their deep regret at the loss of their distinguished Chairman, the late Archbishop of York, who had charge of the measure.

16th July 1891.

ORDER OF REFERENCE.

Die Jovis, 22° *Januarii*, 1891.

CHILDREN'S LIFE INSURANCE BILL [H.L.] Read 2ª (according to order), and referred to Select Committee.

Die Veneris, 23° *Januarii*, 1891.

The Lords following were named of the Committee:

Lord Chancellor.	Lord Clifford of Chudleigh.
Earl of Derby.	Lord Ker (M. *Lothian*).
Earl Spencer.	Lord Poltimore.
Earl of Harrowby.	Lord Brougham and Vaux.
Earl Beauchamp.	Lord Kinnaird.
Earl of Selborne.	Lord Norton.
Lord Bishop of Peterborough.	Lord Herschell.
Lord Bishop of Ripon.	Lord Thring.

The Committee to appoint their own Chairman.

Die Lunæ, 26° *Januarii*, 1891.

The Select Committee to meet on Wednesday next, at Half-past Twelve o'clock.

Die Martis, 14° *Aprilis*, 1891.

The evidence taken before the Select Committee from time to time to be printed for the use of the Members of this House; but no copies thereof to be delivered, except to Members of the Committee, and to such other persons as the Committee shall think fit, until further order.

LORDS PRESENT, AND MINUTES OF THE PROCEEDINGS AT EACH SITTING OF THE COMMITTEE.

Die Mercurii, 28° *Januarii*, 1891.

LORDS PRESENT:

Lord Bishop of Peterborough (Archbishop Designate of York).	Lord Norton.
Lord Kinnaird.	Lord Thring.

The Order of Reference is read.

It is moved, That the LORD BISHOP OF PETERBOROUGH do take the Chair.

The same is agreed to.

It is moved by the Lord Bishop of Peterborough that Clause 2 be struck out of the Bill.

The same is agreed to.

Ordered, That the Committee be adjourned till Tuesday, the 14th of April next, at Two o'clock.

Die Martis, 14° *Aprilis*, 1891.

LORDS PRESENT:

Lord Archhishop of York.	Lord Ker (M. *Lothian*).
Earl of Derby.	Lord Poltimore.
Earl Spencer.	Lord Norton.
Earl of Harrowby.	Lord Thring.
Earl of Selborne.	

The LORD ARCHBISHOP OF YORK in the Chair.

The Order of Adjournment is read.

The Proceedings of the 28th of January last are read.

The course of proceeding is considered.

It is moved that the Committee be an open one.

The same is agreed to.

The following Witness is called in, and examined, viz.: *T. W. Grimshaw*, Esq., M.D.

Ordered, That the Committee be adjourned till Thursday, the 23rd of April, at Twelve o'clock.

Die Jovis, 23° Aprilis, 1891.

LORDS PRESENT:

Lord Archbishop of York.	Lord Poltimore.
Earl of Derby.	Lord Norton.
Earl Spencer.	Lord Thring.

The LORD ARCHBISHOP OF YORK in the Chair.

The Order of Adjournment is read.

The Proceedings of the 14th instant are read.

The following Witness is called in, and examined, viz.:—Mr. *Edwin Niness.*

A question arising on the examination of the said Witness.

After discussion. It is moved by the Chairman, "That it is expedient that the Witness be examined on oath."

The same is agreed to.

The following Witness is then called in, and examined, viz.:—*J. M. Ludlow,* Esq., C.B.

The following Witness is re-called, viz.:—Mr. *Edwin Niness.*

The Witness having objected to repeat his evidence on oath.

It is moved by the Chairman, "That inasmuch as the Witness, Edwin Niness, has made statements implicating societies and individuals in illegal proceedings, and has declined to verify such statements on oath, all the evidence he has given before this Committee be struck out."

The same is agreed to.

The following Witness is then called in, and examined, viz.:—Mr. *J. S. Hodgson.*

Ordered, That the Committee be adjourned till To-morrow, at Twelve o'clock.

Die Veneris, 24° *Aprilis,* 1891.

LORDS PRESENT:

Earl of Derby.	Lord Poltimore.
Earl Spencer.	Lord Thring.
Lord Bishop of Ripon.	

It is moved, That the EARL OF DERBY do take the Chair in the absence of the LORD ARCHBISHOP OF YORK.

The same is agreed to.

The Order of Adjournment is read.

The Proceedings of yesterday are read.

The following Witness is called in, and examined, viz.:—Mr. *T. C. Dewey.*

Ordered, That the Committee be adjourned *sine die.*

Die Jovis, 16° *Julii*, 1891.

LORDS PRESENT:

Earl of Derby.	Lord Poltimore.
Earl Spencer.	Lord Brougham and Vaux.
Lord Bishop of Ripon.	Lord Thring.

THE EARL OF DERBY in the Chair.

The Order of Adjournment is read.

The Proceedings of the 24th of April last are read.

The Title of the Bill is read, and postponed.

The Preamble is read, and postponed.

The Clauses are read, and considered.

It is moved, That it is not expedient to proceed with the Bill.

The same is agreed to.

A DRAFT REPORT is laid before the Committee, and is agreed to (*vide* the Report).

Ordered, That the Lord in the Chair do make the said Report to the House.

MINUTES OF EVIDENCE.

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Die Martis, 14° *Aprilis* 1891.

LORDS PRESENT:

Earl of DERBY.
Earl SPENCER.
Earl of HARROWBY.
Earl of SELBORNE.
Lord KER (*Marquess of Lothian*).
Lord POLTIMORE.
Lord NORTON.
Lord THRING.

HIS GRACE THE LORD ARCHBISHOP OF YORK, IN THE CHAIR.

MR. THOMAS WRIGLEY GRIMSHAW, M.D., is called in; and Examined, as follows:

Chairman.

1. YOU are a Graduate in Arts, Medicine, and Surgery of the University of Dublin?—Yes.

2. A Fellow of the Royal College of Physicians of Ireland and Licentiate in Surgery and Midwifery of the Royal College of Surgeons in Ireland?—I am.

3. You are also a Diplomate in State Medicine of the University of Dublin?—That is so.

4. You are Registrar General for Ireland?—I am.

5. Since what date?—September 1879.

6. Are there other duties connected with that office, that of Medical Superintendent of Statistics?—I am Medical Superintendent of Statistics, as well as Registrar General.

7. You have also at this moment superintended the taking of the census in Ireland?—I have.

8. You have had extensive opportunities of becoming acquainted with the social, economic, and sanitary condition of the people of Ireland?—I have.

9. And are possessed of statistical and other information of a varied character?—Yes.

10. Before you took office as Registrar General you were engaged in practice as a physician in Dublin?—I was.

11. And you acted as physician to Dr. Steeven's Hospital, Cork-street Fever Hospital, and other hospitals?—I did.

12. And you were in connection with one or more of these hospitals during a period of 18 years?—I was.

13. A large number of children must have, from time to time, been treated in these hospitals?—There were a great number.

14. Did you make it a practice to visit the homes from whence many of the hospital patients came?—Yes, I did as a personal matter, not professionally. I did it as a matter of inquiry for my own satisfaction.

15. And in that way you became intimately

Chairman—continued.

acquainted with the home life of many members of the working classes?—I did.

16. You have been President of the Statistical and Social Inquiry Society of Ireland, where many subjects connected with the moral and social condition of the working classes are discussed?—I have been.

17. You have been President of the Dublin Sanitary Association?—I have.

18. As a former member of the inspection committee of the Dublin Sanitary Association, did you see much of the domestic life among the poor of Dublin, and the state of their children?—I did.

19. And you have written papers on that subject?—I have.

20. Has your attention been directed to the high rate of mortality among the children in large towns in Ireland?—It has.

21. And especially in Dublin?—And especially in Dublin.

22. The mortality rate of children in Dublin is very high, is it not?—It is very high.

23. One of the very highest, I think?—For the last 10 years (I will give the figure presently), it has been the highest except in Liverpool and Manchester.

24. You gave evidence on that subject before the Royal Commission on the sanitary condition of Dublin?—I did.

25. Did you give any special instructions to registrars of births and deaths, and other officers in your department, who had to issue certificates under the various Friendly Society and other Acts?—Yes, I have them here.

26. Can you present us with a copy of those instructions?—Yes (*handing same to the Committee*).

27. Can you briefly state to the Committee what are the provisions of the Act relating to certification on the assurance of lives of children?

—Briefly

Chairman—continued.

—Briefly there are certain forms in cases of children insured in societies or industrial insurance companies, which I have copies of here, which have to be filled by the registrar. Here are four forms. The first of these does not apply to the present question. It is for a person of over 10 years of age.

28. Will you confine yourself to the forms for persons under 10 years of age?—Then we have a form for a child between 5 and 10 years of age, which, as your Grace knows, carries the 6 *l.* insurance money, and the form of application. I made a mistake; number 2 is for a child between 5 and 10 years of age; and number 3 is for a child five years. Then there is another form of application which it has been necessary to add in consequence of a slight alteration in the law, by which a number of certificates can be obtained for a reduced price; it does not bear much really on the question.

29. Do you mean forms of application for what are called death certificates?—Death certificates; certified copies of the entries in the register.

30. Will you inform the Committee what steps are necessary before you can issue a certificate of death that has been applied for; under what conditions do you grant such certificates of death?—You mean my officers.

31. Yes; under what conditions, as a registrar, do you grant a certificate of death when applied for?—There are three conditions. In the first place, there are what are called certified deaths, where a medical certificate, of which I hold a copy here, is furnished to a friend of the deceased, who brings that to the registrar, and it is entered in the register book with the other particulars concerning the death. A copy of that document can be given, and is sufficient for these industrial insurance companies and burial societies, and so on. *This* is a leaf out of one of the register books, and in Column 8 of that leaf is a place where the cause of death is entered. *This* is the form which the medical attendant of the deceased person fills in in order to enable the registrar to fill that column.

32. Then the first thing that a person applying to you for what is called a death certificate must do is to produce a medical certificate to you or your officer of the cause of death?—Yes; then it has to be entered.

33. Then you enter it under Column 8 as the certified cause of death?—Yes.

34. You said there were three ways?—Yes. When there has been no medical attendant a certificate that the death has been registered and not certified, with a further certificate from a qualified medical practitioner that he has seen the body after death, and believes the cause of death to be so-and-so (that is as a supplement to the uncertified copy), is deemed sufficient under the law for the insurance companies.

35. To pay?—And in addition to that is the indefinite phrase, "any evidence that is satisfactory to the registrar."

36. Any evidence that is satisfactory to the registrar?—Yes.

37. Will that third case entitle the applicant to payment from the insurance company?—It will.

Chairman—continued.

38. Legally?—Yes, as I understand it.

39. Then, if I understand you rightly, the case is this: persons who desire to obtain payment from an insurance company may obtain it in three different ways, with the assistance of the registrar; one is where there has been a medical certificate of the cause of death, which is duly entered; secondly, where there has been no medical certificate of the cause of death, but where a medical man may have seen the child after death, and guesses, as it were, at what the cause of death may have been?—Yes.

40. When he cannot certify of his own knowledge. And thirdly, where there has been neither medical attendance nor medical certificate, but such evidence as may satisfy the registrar?—Yes. In addition to those three things, which are connected only with the register, as it were, there is a coroner's certificate. If a coroner's inquest has been held on the body, and a coroner's certificate has been forwarded to the registrar and entered in the same manner as a certificate of the cause of death, that will cover the case also, but that is a certified cause of a different character.

41. Is there anything special with regard to Ireland; are the Irish Acts the same as those we are dealing with in England?—Precisely. The Registration Act is not the same exactly, but the Friendly Society Acts are the same practically; in fact, I do not think there is any difference.

42. The law which regulates the issue of the certificate is the same in both countries?—Yes.

43. Is there any penalty attaching to a registrar who gives a certificate on insufficient evidence; in what way is it possible to test the value of the third class of certificate you speak of, namely, which is given on evidence which has merely satisfied the registrar?—None that I am aware of.

44. It is entirely in his own discretion?—Entirely in his own discretion.

45. Is it a matter of knowledge to you that the registrar takes much pains to ascertain what the cause of death is in these cases of the third class?—I cannot answer that directly. Some of them, I know, do, but of course there are particular registrars and careless registrars.

46. There are careless registrars; do you think the cases of the third class are very numerous in proportion to the other two; do you think cases of certificates given on evidence that satisfies the registrar are numerous in proportion to the other two classes of cases?—No, I think not. I have some information with regard to that question in Dublin, which tends to show they are not.

47. Can you say in what proportion they stand?—I can give you that; I have it set out, but it will take some time to find.

48. Has your attention been drawn to the fact that in some cases sufficiently full records have not been kept of the certificates issued under the Friendly Societies and Industrial Insurance Acts?—It has.

49. In what way was that insufficient?—The blocks or counterfoils of those certificates in many cases were not fully filled. You will see that each of those certificates, of which I handed

your

Chairman—continued.

your Grace copies, have counterfoils, and I had inquiry made, and I found many of those counterfoils were either not filled at all (which was not very common) or imperfectly filled.

50. In what respect imperfectly filled; as to facts?—Simply the name was written in, and nothing more; there was no particular rule followed about it.

51. I think you thereupon issued a circular to the registrars with reference to this carelessness in filling up certificates?—Yes, I have issued this circular to all registrars in Ireland.

52. Perhaps you will read it; it is not very long, and it is important?—"Sir,—I beg to draw your attention to the great importance of strictly complying with the instructions regarding the issue of certificates under the Friendly Society Acts, and to state that it appears from the report of the inspector of registration, who recently, at my request, specially visited some districts, that the blocks of the certificates were in many cases unfilled, or only partially filled. I have to request that you will be most careful to fill fully the blocks of all such certificates, inserting in the cases of certificates on forms Nos. 2 and 3 (those refer to children) the amount sought for from the society, which must not, if the deceased child was under five years of age, exceed 6 *l.*, together with the moneys mentioned in any previous certificate or certificates, or 10 *l.*, if the child was between five and 10 years of age. Will you also be most careful, where there has been no medical attendant capable of certifying to the cause of death, not to grant a certificate on forms Nos. 2 and 3, until satisfactory evidence of the cause of death has been produced to you."

53. Do I understand you to mean that if the deceased child has been, we will say under five years of age, and more than 6 *l.* is claimed for that child, the registrar would be justified in that case in refusing his certificate if he knew it?—Certainly.

54. And therefore he is bound to ascertain in each case whether the child has been insured for a larger sum than its age warrants?—So far as he can; of course, he has to rely very much on what is stated to him. I should mention here, your Grace, that there is a great difficulty in ascertaining whether this order of mine is carried out. The inspection of these counterfoils would be a very tedious matter, and it would add very much to the work of my inspector, and it is very difficult to say how much of it can really be gone over by one individual; it might necessitate an application for further assistance. I am not at all sure until the experiment is tried whether my inspector will be able to see that this is carried out.

55. These blocks, then, when you have them, are really the only record of cases where certificates are granted in cases of insured children?—Those would be the only record.

56. Then, as you say, it must be very difficult to verify all those; are those blocks free for public inspection; can any one go to one of your registry offices and ask to see these blocks?—No.

57. The public have no access to them?—They have no right.

58. Would a registrar, do you think, upon application allow any person to see them; has it ever happened that anyone has asked to see them?—Not that I am aware of; I think no registrar in Ireland would allow inspection of those blocks without previously applying to me. There are certain documents that he has which are open to public inspection, but in every case a fee of a shilling has to be paid for a search. These blocks do not come within the Act of Parliament; there is no power given to the public under the Act of Parliament to search the blocks of these documents; therefore, I apprehend he would say, "You have no right to come; I cannot claim any fee from you, and therefore I shall not allow it." I think that probably would be the answer.

59. Then, in point of fact, there appears to be no check, or no check of any importance, upon the carelessness of individual registrars in furnishing these certificates, or, at least, in filling up these blocks?—None, excepting the visits of my inspector.

60. And you have already told us that you hardly think it is possible your inspector can effectually check these blocks?—I am satisfied that he cannot.

61. You are satisfied that he cannot?—Almost satisfied.

62. Then, in point of fact, the check of the block, for what it is worth, hardly exists at all?—It does not exist at present. I am trying to do what I can in the matter, but it is a new departure to try and check them.

63. And until this circular of yours, and your efforts, there really was no check at all?—There was no check at all.

64. What does a registrar receive as a fee for filling up one of these certificates?—There are different fees; there is a 1*s.*, 1*s.* 3*d.*, and, I think, another addition of 3*d.* It is a small thing compared with the half-crown, which is the regular price of a certified copy.

65. As to that question of the comparative frequency of cases under these three heads of which you have spoken, can you give us any idea as to whether there is a very considerable number of cases where a medical man has not attended, and not given a certificate, and has only seen the child after death?—No, I cannot.

66. Is that very prevalent anywhere?—I found that it occurred in Belfast. In Belfast my inspector found that some of these certificates, that is, the forms which I supply for medical certificates of cause of death, had been improperly used. They were used for certificates of deaths of persons that had not been seen during life by the person who signed the certificate. He had seen them after death, but he had omitted to strike out the words, "I attended," in the printed form of certificate, in filling up the certificate; or he ran in, in a small way, that he had seen them after death. Some of these certificates were presented to my registrars in the Belfast superintendent's district, and were entered as proper certificates; and certificates for insurance companies were then issued as certified copies. I have put a stop to that. I issued a circular to the Belfast registrars; that has applied not merely to children's cases, but to every case. I found it occur in eight cases only in children, out of some 40 cases.

67. Then

Chairman—continued.

67. Then out of the whole number of these irregular or improper certificates, those as to children were only as 8 to 40?—Yes

68. The other cases were cases of persons in advanced life?—Yes.

69. In consequence of these irregularities you issued a circular to the registrars in the Belfast district. This, I presume, is the circular. "Sir,—I beg to state that it has been reported to me that certificates of the cause of death are frequently given in the Belfast Union in cases where the deceased had not been seen by the medical practitioner until after the death had taken place, and that the death is entered in the register as 'certified.' I have to inform you that such certificates are altogether illegal, and should not be accepted as medical certificates of the cause of death. I request you will inform me whether the alleged practice prevails in your district." That is the circular you refer to?—That is the circular.

70. Did you get many replies to this circular?—Yes; it was acknowledged.

71. And it was admitted it was so?—It was admitted; there was no question about it, because it had been proved previously.

72. What is the form of certificate of death used generally by medical practitioners in Ireland?—That I have already handed to your Grace.

73. Also, you have given us the form of register or copy of an entry signed by the registrar?—Yes, I have; that is the object of the registry book.

74. Can bodies be buried without such a certificate as you speak of?—They can; here is the form of certificate that is issued, what is commonly called a burial certificate. This certificate is a notification that the death has been registered, or that the registrar has received a notification of the death, and that notification is accompanied by a medical certificate that all the conditions existed for a proper registration.

75. You will correct me if I am wrong, but is it not the law that a clergyman cannot compel the production of that certificate before he buries the child; that he is bound to bury first, and that if an insufficient certificate has been given, or none, that he is bound to inform the registrar?—That is so.

76. And he is not entitled to refuse burial?—He is not entitled to refuse.

77. That is the law, is it not?—That is the law. But in Ireland, in addition to that there is a slight difference. That is the law under the Registration Act, that if the clergyman or custodian of the burial ground does not receive the notification he is bound to notify to the registrar; but in the Public Health Act of 1878, there is a clause which requires all burial authorities, the clerks and registrars of all burial grounds, to furnish to the registrar lists of all bodies and certain particulars about them as far as can be ascertained, that have been buried in that particular burying ground. Under the Registration Act, that list of bodies that had been buried is deemed to be a sufficient compliance with all the laws requiring notification. Does your Grace understand?

Chairman—continued.

78. Not quite?—You asked me if the clergyman was required in case he did not receive the burial certificate to notify to the registrar.

79. Yes?—He is, but on the other hand the clerk of the burial ground where the ceremony is performed is bound to furnish a full list of all bodies that have been buried to the registrar, and under the Registration Act that list being furnished absolves him from all personal liability with regard to furnishing a special notification.

80. Absolves the clergyman?—Absolves the clergyman or the other responsible parties.

81. There have been cases that you are aware of in which you have failed to trace a particular burial?—I might mention that this clause in the Public Health Act was passed before the present form of registration law in Ireland was passed, and in my opinion it ought to have been repealed when the registration law was amended, but there was a good deal of opposition at the time from the persons who were getting paid for keeping these returns, and the result was that rather than have any delay in passing the Bill it was decided to leave the clause unrepealed in the Public Health Act.

82. You have had cases come under your knowledge where persons have been buried without certificates?—There are; there was a case of which I took a note, because the inquiry was only completed about 10 days ago. It occurred so long ago as October, but we had it in the hands of the police for several months. This was a little boy called Walsh, an illegitimate child who died on the 12th September; there was a burial order obtained from the Catholic Cemeteries' Office on the 13th October 1890 by Alice O'Connor of 10, North Cumberland-street. No registrar's certificate was received at the burial; the address of the deceased was given as No. 10, Denzille-street; the case was returned to the registrar of No. 4 South City district on the 18th October; no such case could be discovered by the registrar or police. The undertaker was stated to be named Corrigan of Camden-street, but this was found to be untrue, and it was ascertained to be Corrigan of Cook-street, but an inquiry there only elicited the fact that a coffin had been purchased and taken away no one could tell by whom, the person who signed the docket, Anna McCall, having no recollection of the circumstances. I have just introduced that to show that this system is somewhat defective; it gives an opportunity for cases escaping altogether. If that had been a special case in which a clergyman had had to report upon it, it would not have got mixed up with some hundreds of others and would probably have been found out sooner.

Earl *Spencer.*

83. What was the age of the child?—I do not know the age. I have not got a note of it, I am sorry to say. There was another case which occurred some months ago of the same character in Rathmines, a suburb of Dublin.

Chairman.

84. With a view of investigating the circumstances under which insured children died, did the Commissioner of the Dublin Metropolitan Police

Chairman—continued.

Police address a letter to you of the 27th October 1890, and ask permission to inspect the weekly returns furnished to your office from the Registrars of Deaths in Dublin?—That is so.

85. You acceded to that proposal?—I did.

86. But you were not bound to do so?—I was not bound, but I wished to give every assistance I could.

87. You acceded to that proposal, and in addition you required the registrars to furnish with their weekly returns the names of all children under 12 years?—I did.

88. Whose deaths were registered, and to mark all cases where certified copies had been marked for insurance purposes. That was your direction?—Yes.

89. During the month of November a sergeant of police, it appears, called weekly at your office, and took note of the insured cases, and made inquiries as to each?—Yes, here is a schedule of the cases.

90. Exactly so; the inquiry was continued for how long?—For four weeks.

91. What was the name of the inspector?—It was a sergeant of police. His name is Currey, as a matter of fact.

92. The inquiry continued for how long?—For four weeks.

93. How many cases were investigated?—Fifty-six.

94. And the ages ranged from what to what?—The youngest was 13 months, I should think.

95. Thirteen days you have here?—Yes, 13 days.

96. The ages were from 13 days to 12 years?—Yes.

97. Have you a schedule of these cases?—Yes.

98. Will you put that in, please (*the schedule is handed to the Committee*, vide *Appendix A.*); in how many cases of these 56 was there no insurance?—In four. There is a mistake in my proof in the figure.

99. How many cases were there in which the child was not in benefit?—Five.

100. You state that some of these cases present points which you think worthy of note; will you state what they are, please?—There were two of these cases; they are numbered from 1 to 56 up to the last. The child number 5 was aged 22 hours, and it was insured for 22 hours, and there was 2 *l.* paid on the insurance. The child was a dying child.

101. The child was dying at the time it was insured?—It was dying.

102. In that case the alleged cause of death was debility, I think?—Debility, and there was no medical attendant.

103. Then, case Number 39, you mention?—There the child was three hours old, and was insured three hours before death. This child was not in benefit; nothing paid on it.

104. That is to say the child died within three hours after being insured?—It did, but that was a case in which it was not in benefit.

105. Again, Number 16 you refer to?—In the case of Number 16 the child was seven months old, and died of bronchitis. It was insured for seven months, for two sums of 2 *l.* 10 *s.* each.

106. Were those insurances in the same society, or in different societies?—No, in two societies. I think I can give them; I have the names of the societies here; those were the Prudential and British Legal.

Earl of *Selborne.*

107. Are those societies established in England or Ireland?—They are English societies; I do not think there is any industrial insurance company in Ireland; they are all worked by agents from the English societies.

Chairman.

108. Were these insured in what are known as friendly societies, or what we call commercial societies?—Those were regular industrial insurance companies; the Prudential and British Legal; regular industrial insurance companies.

109. Is it your opinion that these were cases in which the child was insured with the probability, or almost the certainty of its speedy death?—I cannot tell you that.

110. You cannot say that?—No.

111. In some cases they were insured in benefit societies?—There are other cases which might be got from this schedule of a similar character, but I selected those as examples.

112. There are two other cases which you mention, those of Mary Doyle and Elizabeth Doyle; have you anything to remark about those?—Yes; this is a case which points to another state of things somewhat. There are two children, Mary Doyle four months, and Elizabeth Doyle, four and a-half years, who both died of whooping cough. The former died on the 6th, the latter on the 13th of May 1890. Medical certificates of the cause of death, purporting to be signed by a qualified medical practitioner (Dr. Maguire) were filled and handed to the mother who registered the deaths as if certified. The certificates were filled by an unqualified assistant, and Dr. Maguire had never seen the patients, and was not even in Dublin at the time. Suspicion as to the transaction arose from a communication of the mother with the registrar who reported the case; on inquiry the above facts were elicited. The unqualified assistant got out of the way (he disappeared for three or four weeks) but was after some time traced by the police, prosecuted, and fined one shilling in each case. I prosecuted him, and that was all the fine the magistrate inflicted. Elizabeth Doyle was insured in the British Legal Insurance Company.

Earl of *Selborne.*

113. Was it, in your opinion, owing to neglect in not sending for a doctor that the death occurred?—I cannot say, but the child was not attended until the very last minute by any legally qualified practitioner. A qualified medical man was called in shortly before the death of the children, but can hardly be said to have been in regular attendance; however, he was legally empowered to sign a certificate of the cause of death in the case of the elder child, but he declined to do so.

Chairman.

114. It would seem then from what you state that there is a certain amount at least of irregularity and carelessness in the granting both of medical certificates and of registrars' certificates?—That is with regard to medical certificates. These certificates were signed, in fact the name was forged to them by this unqualified assistant; in fact, he put his master's name to them without authority.

115. Then you say the death rate among young children in Dublin is remarkably high, and it should, therefore, be a favourable locality for testing questions as to the causes of such high death rates; have you read a paper on that subject before the Statistical Society of Ireland?—Yes, I did. Those are some of the copies of the paper (*handing same to the Committee*).

116. You wish to put in that paper, would you not, as part of your evidence?—I have made some selections which I have pasted down here, and the figures have been carried up to recent dates. That is a year old, and I have now been able to put in figures for the 10 years.

Earl of *Selborne.*

117. That had better be put in, I should think?—There are a set of Tables here which correspond with those in the pamphlet which have been revised up to date. I do not suppose it would be consistent with the time at the disposal of the Committee to read this pamphlet to them.

Chairman.

118. If you will specify any particular page in the pamphlet to which you wish to draw the attention of the Committee, and then put in the pamphlet, perhaps that would be the best way of dealing with it?—The main points are the excessively high death rate of young children in Dublin, and the fact that a very large number of them are uncertified deaths.

119. A very large number are uncertified deaths?—Yes; showing very great carelessness in the looking after of the children. It does not appear from these statements in the pamphlet that there is any intentional injury to these children, but it shows that the habits of the working classes in Dublin are very careless indeed with regard to the welfare of their young children.

120. You say that there is a considerable amount of carelessness and irregularity in one way or other in granting of medical certificates. Is there any improvement you could suggest as regards either the form of the certificates or greater stringency in requiring a medical certificate on the part of the registrar, which may tend to prevent these evils; do you think a medical certificate of death is sufficient if it is duly filled up?—I do not see what more we can get, because when a medical certificate is presented to the registrar it is generally signed by somebody who is known to him, and if he is not known to him he can, without any great difficulty, find out who it is, so that in the great majority of cases he ought to be satisfied with the statement. I am afraid a great many of them are not so carefully filled up as they should be.

Chairman—continued.

121. You mean a great many of the medical men are not so careful as they should be?—I am afraid that is so.

122. You can draw no conclusion from your statistics as to the particular form of disease from which insured children generally die, or are supposed to have died, as compared with uninsured children?—I cannot. There is a return here which I should like the Committee to take some notice of, which, I think, your Grace has a copy of.

123. What is that?—It is a return which I have had compiled for Dublin, for the quarter which has just ended. It is of all the children under 10 years of age that have died. I have the causes of their deaths grouped, and statements as to whether they are certified causes or uncertified causes. I have classified them also according to social position. I think there is something in this (having read a good deal of the evidence given before the Committee) which the Committee will find useful, and it will direct attention to some points. I have had extracted the ages, social condition, and causes of death, certified and uncertified, in the Dublin registration district. Those are all for children under 10 years of age which would come within this question of insurance. The population of the Dublin district is, in round numbers, 353,000; they are distributed in five social classes, professional and independent class, middle class, artizan and petty shopkeeper class, general service class, workhouse inmates. That is a classification which was made at the Census of 1881. I obtained permission of the Government on that occasion, on the recommendation of the Dublin Sanitary Association, to take out and arrange in classes of the community all the population of Dublin. It was only done for Dublin. The result is I am able to publish death statistics by classes. Of course it is not mathematically exact, but it is tolerably correct. The total number of deaths of children under 10 years of age in this quarter which I am considering of the present year was 784; of these, 626 had the causes of death certified, and in 158 cases the causes were uncertified. In 221, or 35·3 per cent. of the certified cases, certificates for industrial or kindred insurance companies were issued. You will observe that the point there is that in something over a third of the certified cases, there were certificates issued for industrial insurance companies.

Marquess of *Lothian.*

124. Did you not say 21 per cent.?—No, 35·3. In only 21, or 13·3 per cent. of the uncertified cases, were certificates for insurance purposes issued. Of the total cases of deaths of children under 10 years of age, numbering 784 cases, certificates for insurance purposes were issued in all in 242 cases, or 30·9 per cent. In Dublin, in the first quarter of the present year, 30·9 per cent., or nearly one-third, had insurance certificates issued for them. Now with regard to the question of what class made use of it most, which is a point mentioned several times by witnesses before this Committee, I have tried to show how that falls in Dublin. In the professional and independent class, practically there were none. There were very few deaths, and

Marquess of *Lothian*—continued.

and there were no uncertified deaths, and there was only one certificate issued for the insurance companies. I believe that was for some form of endowment insurance. In the middle class there were 126 deaths of children registered under 10 years of age. Of these 104 had the cause certified, and in 22 there was not a certified cause. In the 104 certified cases there were certificates for insurance purposes issued in 23 cases, and in the 22 uncertified cases five insurance certificates were issued; in all 28 certificates out of 126 cases, or at the rate of 22·2 per cent. In the artisan and petty shopkeeper class, there were 209 deaths of children under 10 years of age. Of these 161 had their causes medically certified, and 48 were uncertified. In 82 of the 161 certified cases certificates for insurance companies were issued, or at the rate of 50·9 per cent. In the 48 uncertified cases, certificates were issued in five cases only, or at the rate of 10·4 per cent. In the whole 209 cases belonging to this class there were 87 certificates issued, or at the rate of 41·6 per cent. That is, of the artisan class, there were 41·6 per cent of the children for whom they obtained certificates for insurance societies. That, I think, may be taken as a tolerably fair rough measure of the number of these people who would be insured. (*A statement is handed in by the Witness*, vide *Appendix* B.)

125. Then what conclusion do you draw from these statistics, as bearing on the subject of child insurance?—I am coming to that point in a moment. There are comparisons drawn between the proper artizan class and the very inferior class of labourers and loafers generally; and you will find from these figures as I go on that it is the artizan class who have the bulk of this insurance in Dublin. I have just stated that there were 41 per cent. of the children insured. Without going into these particulars in full, I have a summary of them collected here. Of the professional and independent class there were practically none insured; of the middle class, 22·2 per cent.; of the artizan and petty shopkeeper class, 41·6 per cent.; of the general service class, 33·2 per cent. insured; when you get down to the workhouse inmates, there were practically none, only two; so that points to the fact that it is the respectable artizan class in Dublin that mainly insure. Now, my impression is that there will be very little abuse in that class; it would be in the smaller number insured below them that any abuse would arise. I have analysed the diseases; but, as your Grace remarked, the diseases from which these children have died do not point to any conclusion as to there being any special neglect in any particular case. I do not think there is anything to be made of that point as to Dublin.

126. Have you formed any opinion at all as to the effect of child-life insurance on child mortality?—I have not. I have formed a strong opinion, including that question; that is, that there are great abuses in the whole system of industrial insurance as it goes on at present, because I am constantly finding cases where apparently the agents have been very anxious to get business, and have taken very bad lives, and then afterwards a dispute arises as to age or

Marquess of *Lothian*—continued.

as to health, or something of the sort, when an insurance comes to be paid, and the registrars have applied to me to know whether they are to alter the entries already made in their register with a view of satisfying in fact the conditions under which the life was supposed to be insured That does not apply to children particularly, but applies, as it were, to the whole class of industrial insurances. Now, if that is the case with regard to the whole thing (children, of course, would be less able to defend themselves against anything of that sort), in that way it would appear to operate unfavourably to the children; but as to actual cases of children being made away with for the insurance money I have no evidence.

127. Would it be possible to have evidence of the cases of children done away with for the sake of the insurance money, would that come before you?—That would be most unlikely.

128. You have no means of investigating the cause of a child's death?—None whatever, unless the registrar reported, and if the registrar reported that a circumstance of the sort had arisen, I would immediately bring it under the notice of the legal authorities with the view to prosecution. The prosecutions I conduct are as to the falsifications of registers.

129. Your view is, that the eagerness and competition among the agents for these societies leads to an irregularity of practice, and to their very often insuring bad lives, I understand?—That is my opinion; I think the way it acts is this, that there are a certain number of these insurance agents who push their business very far, and try to take in the working classes, and the working classes on their side try to make the most they can out of the insurance companies, and try to take them in. I am afraid it is a diamond cut diamond in the matter.

130. Then any legislation attempting to check these malpractices on the part of these agents, would be in the interest of, and not against the interest of the industrial societies?—I am not so sure of that; that depends on what you mean by an industrial insurance society. An industrial insurance society consists of the company itself and the company's agents, who get a very large per-centage for this kind of work. It is the agents really that do this thing; probably the secretaries and head officials of these societies do not encourage their agents to do so, but they offer a large per-centage on the business, and that tends of course to make these agents push their business as far as they can in rather a reckless way, I am inclined to think.

131. Of course you distinguish between mutual friendly societies and merely commercial collecting societies?—Oh, very strongly; I think these abuses are confined to the commercial collecting societies.

132. And mainly arise from the greed and competition of the agents?—Yes, there is nothing to be made out of the others by individuals.

133. Have you had any opinion expressed to you by coroners or otherwise on this subject in Dublin. Take coroners first?—The coroner for the city of Dublin, Dr. Whyte, has a very strong opinion that this life insurance of children should

Marquess of *Lothian*—continued.

be put down. He has very strong opinions on the subject.

134. I will not ask you what they are, because he can attend here to give his own evidence. I will only ask you this: whether you do not think that a coroner is a person much more likely to form a valuable opinion on this subject than a registrar?—Oh, very much.

135. Comparing case with case, speaking as a medical man, which is likely to be most costly; medical attendance and comfort, in the case of a child dying, or in case of a child recovering?—I should say, in the case of a child recovering.

136. You mean because the illness is probably much more protracted?—It is likely to be more protracted, and the person during convalescence will require care and expense, which does not occur at all in the case of death.

137. Which is the greater tax on a person's resources; the sickness of children which ends in recovery, or the sickness which ends in death, do you think?—I think the case which ends in recovery is the more costly.

138 I understand you have formed some opinion on Clause 4 of the Bill before this Committee, with reference to Sub-clause B.; have you any opinion to pass upon that?—I wrote a letter to the Government on that question when the Bill came forward.

139. What was the point?—Here is a copy of the letter that I addressed to the Under Secretary.

140. If it is not very long will you read it?—"General Register Office, Charlemont House, Dublin, 5 June 1890. Sir,—With reference to a Bill introduced into the House of Lords by the Lord Bishop of Peterborough, some of the clauses of which, should they become law, will materially modify the conditions under which payment may be made under the Friendly Societies and other kindred Acts of Parliament on the production of certificates of deaths of children furnished by the registrars of births and deaths, I beg to submit that while, in my opinion, the Bill is calculated materially to improve the present state of the law, yet Clause 4, Sub-clause B., paragraph 2, will have the effect of perpetuating, by re-enacting, a condition of the law as now found in the Friendly Societies Act of 1875, Section 28, Sub-section 4. While the Bill proposes to repeal Section 28 of the Act of 1875, it re-enacts as follows: 'A registrar of deaths shall not (A), give a certificate or certificates of the death of any child being a boy under 14 or a girl under 16 years of age, for the payment of any sum or sums of money exceeding in the whole the amount authorised by this Act to be paid on the death of such child; or (B), give any such certificate unless (1), the cause of death has been previously entered in the register of deaths on the certificate of a registered medical practitioner who attended the child during its last illness, or of a coroner, or (2), a certificate of the probable cause of death, signed by a registered medical practitioner, or other satisfactory evidence of the probable cause of death has been produced to the registrar of deaths.' Thus, by paragraph 2, a medical practitioner who had only seen the body of a child after death may certify to the 'probable cause of death.' It is well known to every well-qualified medical man that it is a matter of the greatest difficulty to make a 'probable' guess as to the cause of death by the mere inspection of a dead body, but I regret extremely to state that such guesses are made on apparently very insufficient grounds, mainly founded on the statement of friends of the deceased, whose interest it is to obtain the certificate; and it is, I regret to say, a temptation to some medical men to give such certificates, for the sake of the fee. That portion of the paragraph which mentions, 'other satisfactory evidence,' is still more liable to falsification. The registrar, to whom, of course, the evidence is to be satisfactory, is permitted to exercise his own judgment, which, I submit, is a very undesirable power to grant to him, especially as he has a pecuniary interest in issuing the certificate. I am, therefore, of opinion, that paragraph 2 should be omitted from the Bill. I make this statement after considerable experience, and after having given my special attention to the question of the insurances of children. I am sorry to say I have found that these powers, as they exist at present, and which it is proposed to perpetuate, have been used in at least a very careless, if not culpable, manner; and I have had to issue a caution to the registrars in Belfast with special reference to the abuse of these powers. It may be asked, what is it proposed to substitute for paragraph 2. I beg to suggest that it would not be unreasonable to require a certificate from the coroner in all such cases, that he was satisfied as to the cause of death, and did not deem an inquest necessary. This might be added to paragraph 1 of Sub-clause b of Clause 4."

141. Then, if I understand you rightly, your proposal with reference to this clause amounts to this; that, whereas there are now three kinds of certificates which we have already spoken of, you would strike out two, namely, the certificate where the medical man has not seen the child at all until after death, and also where the registrar has merely satisfied himself; and that you would retain only the first clause, namely, where it is the certificate of a medical man who has attended the child previous to its death; and that in every case where that has not been done the coroner should satisfy himself that there is no reason for holding an inquest, and should furnish a certificate to that effect to you?—Yes, that is my view.

142. You would strike out altogether paragraph 2 of Clause 4, and require instead of it a certificate to you (I presume you mean the registrar)?—The registrar.

143. That the coroner has inquired into the case and sees no necessity for an inquest?—Yes.

144. That is your view?—Yes.

Earl of *Derby*.

145. Would not that throw a considerable additional duty on the coroner?—It would.

146. Do you think what you propose could be done without a large increase in the number of coroners?—I am afraid it could not be done without making it a coroner's business. Of course, a coroner may do anything else he likes.

At

Earl of *Derby*—continued.

At present his duty is not confined to holding inquests. He is very often a lawyer, or a medical practitioner. I understand that some coroners take a great deal of trouble at present to make inquiries into these matters.

147. You put it in this way, that wherever a medical attendant has not been called in, and a death has occurred, or where a certificate from the medical attendant is not obtainable, there the coroner should inquire?—Yes.

Earl *Spencer.*

148. You spoke of your inspector; have you a large staff of inspectors?—No, I have only one specially detailed for the purpose, but I have power to make use of the clerks in my office, and I have sometimes two or three out really.

149. His duties are to see that they are carrying out their work properly with regard to all sorts of certificates and registering?—Yes.

150. Do you find generally they carry out their work pretty correctly?—Generally they do.

151. Then your remarks with regard to carelessness apply to all certificates, and not only those connected with the death of children?—I beg your pardon.

152. The remarks you make about the carelessness that exists in Dublin about the entries and so on, apply to all certificates, not specially to those with regard to the deaths of children?—To all, yes.

Marquess of *Lothian.*

153. Do you know at all whether the proportion of deaths amongst children of the population of Dublin is increased at all?—According to the last return I have made up it has slightly diminished.

154. In what way was that?—When I wrote that paper which I handed in Dublin was, I think, the worst in the United Kingdom; it is now third on the list.

155. That is to say, Liverpool and Manchester are worse?—Liverpool and Manchester are worse.

156. That might mean Liverpool and Manchester have got worse still?—That might be; but the number of uncertified deaths and the rate of mortality have diminished; but then the death-rate of Dublin has gone down for many years. There have been improvements which have tended to diminish the death-rate.

157. Then the proportion would be the same, would it not?—A little less, I think. These sanitary arrangements show their effects first amongst the children as a matter of fact.

158. Then you do not think this system of insurance has had any effect on the proportion of children's deaths in Dublin?—I have no evidence it has.

Earl *Spencer.*

159. Are insurance companies making much way in Ireland; companies like the Prudential and British Legal?—I think they are.

160. They are increasing their number of subscribers?—I think so. The only way I have of forming an opinion is that the stores branch of my office supply the forms for that purpose, and I am told the demand for forms is greater than it was, although the population is less.

Earl *Spencer*—continued.

161. Are they used in rural districts as well as in the large towns?—They are. Of course, I do not go very much about; but in the county Wicklow, for instance, you will find in the little villages advertisements of the industrial companies stuck up.

162. Do the Prudential Company have agents going round in Wicklow and different parts of Ireland?—I could not speak of any particular company; but I know I have noticed myself, going through the country, in very small places, door-plates and notices on houses of the industrial insurance companies.

163. And that is rather new, is it not?—I think it is; my own impression is that it is new.

Marquess of *Lothian.*

164. You say the bulk of the insurance is by the third class, the artizan class?—The artizan and petty shopkeeping class.

165. That is a class practically well to do?—Yes, very well to do.

166. Therefore the insurance would not be effected for the purpose of paying funeral expenses or things of that kind?—I should not think in that class it would be very much of that kind of thing.

167. And the poorer classes do not insure practically?—Not to the same amount.

168. The poorer class of all do not insure at all, do they?—Those who are workhouse inmates of course would lose all those privileges.

169. The fourth class was the domestic class, was it not?—No, the labouring class, the general service class, the hand-to-mouth people.

170. That is the class you would expect to insure most, if the money was required for funeral expenses?—Yes, but they have not the money to insure, they are poorer than the artizan class.

171. Then on the other hand they would be more desirous to make some arrangement, would they not, to meet funeral expenses. It would be of more importance to them to get a sum of money after death?—They should be more desirous of doing so, and it ought to be of more importance to them to obtain the money, but it appears they do not insure to the same extent as the artizan class.

172. Then you do not think the insurance is for the purpose of making a gain on the death of a child?—There is no proof, I think, either one way or the other, from the figures I have given.

Earl of *Selborne.*

173. You have said that the mortality among children in Dublin is high; is the general rate of mortality high in Dublin?—It is.

174. I thought so, but you said it was improving, it is less than it was?—It is less.

175. Through sanitary improvements?—I believe mainly through sanitary improvements.

Lord *Norton.*

176. Can you state at all the actual death-rate, so that we may know what you call an excessive death-rate?—Do you mean the total death-rate?

177. Or for children, what do you call an excessive death-rate?—Do I understand you to say,

Lord *Norton*—continued.

say, my Lord, that you want the death-rate of Dublin?

178. Yes?—The actual death-rate of Dublin on an average for the last 10 years from all causes is 26·7 per thousand.

179. What is it for children under 10?—I do not know that I can give you the number under 10; I can give you the number under one year.

180. Let me have the number under one year?—I have the deaths of infants under one year, for 13 large towns in the United Kingdom. The rate for Dublin on an average of 10 years, is 176 in a thousand, that is, of a thousand children born in Dublin, 176 would die before they reached the age of 12 months.

181. That is for one year?—For one year.

182. Can you give us the average rate in other towns. I mean how far is that excessive?—In London it is 152; in Liverpool it is 183; in Manchester, 179; and Birmingham, 167. The last on my list is Cork, 120.

183. Are you comparing Dublin with towns in England, or other towns in Ireland?—With both towns in England and Ireland. The towns I have are: London, Birmingham, Liverpool, Manchester, Leeds, Sheffield, Bristol, Bradford, Belfast, Cork, Edinburgh, and Glasgow. We have only three large towns in Ireland to compare with.

Marquess of *Lothian.*

184. What is it in Glasgow?—One hundred and forty-seven. (*A number of tables is handed to the Committee*, vide *Appendix* C.)

Lord *Norton.*

185. You do not attribute that excessive death rate to any local cause, to any unhealthiness, but to carelessness in the administration of the law?—No.

186. What then?—A good many causes. I believe one of the main causes is the habits of the people. There are a very drunken careless set of people in Dublin, among whom this high infantile death rate prevails.

187. Then the diminution of the death rate, you think, has accrued through the sanitary habits improving?—Mainly the house accommodation improving, that has been the great thing accomplished in Dublin of late.

188. And not at all from the alteration of the law connected with insurance societies?—No; I do not think the law has had any effect on it whatever.

189. Can you state at all from your own knowledge, whether the insurance money is really expended on the funerals?—I cannot tell you.

Lord *Thring.*

190. You lay great stress upon getting the blocks as you call them accurate, what is the object of the blocks?—So that if any suspicion arises afterwards, it can be traced.

191. How?—The registrar parts with one portion of it, he gives it away.

192. Then he keeps the other secretly, as I understand it?—Yes.

193. Nobody else sees it?—At present nobody has any right to see it.

Lord *Thring*—continued.

194. Nobody does practically, therefore what good does it do?—Practically he does not allow them to be seen.

195. But unless you make these blocks public and enable people to see them, I do not see what advantage you get in keeping them so accurately?—But I think there would be an advantage under certain circumstances.

196. Do you wish the law to be altered to make the blocks capable of being inspected by anybody?—Yes, my Lord, I think so. You are aware of course that the ordinary record in a register book can be inspected by anyone, on payment of a shilling; they have a right to search.

Chairman.

197. And you wish the blocks to be searchable?—I think they should be searchable.

Lord *Thring.*

198. We had some evidence that the dissolute class insure their children; it is clear from your evidence that in Dublin it is the artizan class that insure their children most?—The point is, that the artizan class insure in a greater proportion, but the general service class as we call them in Dublin, who are the hand-to-mouth people, the ragamuffins included, do insure to a considerable extent.

199. There is no inference to be drawn from the fact of insurance that the class is dissolute, but the contrary?—The contrary would be, no doubt, the inference.

200. With respect to what you said as to every death being certified by a coroner, unless certified by a qualified medical practitioner, would not that be an enormous temptation to coroners to increase the number of inquests inordinately?—A coroner, in my opinion, should be paid by salary, and be bound to inquire into every case. In some cases coroners are paid by fee.

201. You would have coroners paid by salary, it being their duty to investigate every death where a patient had not been attended by a regular qualified medical practitioner?—Certainly, that is my opinion.

Lord *Poltimore.*

202. I think you mentioned in your evidence the case of an insured child dying of whooping cough?—Yes.

203. Is it usual among the working classes to call in a qualified medical practitioner for a case of whooping cough?—In Dublin?

204. Yes. Is it usual to call in a practitioner in a case of whooping cough?—In Dublin, certainly. Medical attendance in Ireland by the poor law is given on much freer and easier terms than it is in England. Practically, anybody can get medical attendance gratis, and a very fair quality of medical attendance. The poor people are much better off in Ireland in that way than here. In fact it is rather abused.

205. You mentioned also that there was a good deal of carelessness in Dublin with regard to young children, and you said that 41 per cent. of the children of the artizan class are insured; would you draw any inference from that that the

Lord *Poltimore*—continued.

the artizan class neglect their children in consequence?—No, I have no reason to draw the inference that they would neglect them any more than the class below them.

206. A proposal is now before Parliament for registering all child insurances, that is to say, every case in which a child under 12 years of age is insured shall be registered. I want to know from you whether it will be possible to graft that registering of insurances on the duties of your officials, and whether they could carry it out?—Yes, there is no doubt it could be done. I would have to think over it a good deal before I would recommend it. I cannot say it would be an advisable thing to do.

207. The advantage of the registering would be obvious, namely, that it would enable in every case the tracing, and if necessary the proving, as far as it would go, of malpractices?—I quite see the advantages of registration.

208. What I want to draw your attention to is not so much the advantage, but the practicability of it, and whether it could be without a very much increased staff, or any great difficulty be grafted on the duties of existing registrars?—I think it could, but I would have to go into the thing very closely to see whether it would be a desirable thing from a departmental point of view.

Earl of *Selborne*.

209. In connection with that I should like to ask you this question; have you registrars of friendly societies in Ireland?—Yes, the Chief Registrar here has a deputy in Ireland.

210. And of joint stock companies, too?—They are registered too in Ireland.

211. Would it not be more proper for one or other of these registrars to act as to the registration of insurances than the general registry, of which you are the head?—I think that is a very questionable point. It depends on whether it was intended to do the thing locally or centrally. For instance, the Registrar of Friendly Societies has an office subordinate to the London office. He is Assistant Registrar of Friendly Societies in Ireland, and has only one office for the purpose of registration. If the object was that local people could look into the registrations, and consult the register, it would be useless. People could not come up and consult the registry in Dublin, except in an extreme case.

212. Could there not be a registry established in each centre of population, under the Registrar of Friendly Societies?—Yes; but that would be creating a new set of officers.

213. Yes. Just another question. Supposing such a registry established; in your opinion would it be right that the burden of registering should be thrown on the insurance company and not upon the individual insuring?—I think the insurance company should pay it.

Lord *Thring*.

214. Are you aware of the number of insurances issued by the Prudential?—I have read it in the evidence here, but really I forget it, I know it is an enormous number.

215. We will say 3,000,000?—It was something very large; it was by millions, I think.

Lord *Thring*—continued.

216. Four millions. What would the expense be of registering 4,000,000 insurances, or how is it to be done?—I cannot say that, that depends on the registration fee.

217. Take the insurance of children, take a million, do you mean really to say that you consider it a feasible project that you should register anywhere or at any place all these small insurances?—Where they are done by degrees, it is not difficult.

218. What would be the expense?—That depends on the fee.

219. Take for a moment that the insurance itself is for 2 *l.* or 3 *l.*, what fee would you pay for that registration which would not enormously enhance the per-centage?—It would increase it very much, no doubt.

220. Then, what would you do with the lapsed policies and striking them off?—An insurance company should be bound to do that.

221. Then, do you really think these companies could insure at the rate at which they now insure with the burden put upon them of having all their insurances registered?—I should think they could; they make a great deal of money apparently at present, and they pay their agents very highly, and why they should not pay for the registration too I do not see.

222. Take the societies which are not commercial societies, the non-collecting societies, they do not make money at all?—No, they do not.

223. Would you put the burden upon them or not?—I think they might very well be left to take care of themselves.

224. Then you would exempt them from it?—I think so, because they look to one another; it is a mutual affair. I do not think there is anything like the danger to life in connection with these friendly societies.

225. Then, you would put it on what might be called a collecting society?—I would.

Earl of *Selborne*.

226. Might it not be done practically by requiring the insurance company simply to send a notice or a list to a particular office; might not that be enough for the purpose without causing a register in the shape of new books in the office to be opened?—It might, but I can see a difficulty about that; you would require an index.

227. They might be put upon a file, and then whenever a thing became a claim, and a question arose, reference might be made according to the date, might it not?—Yes; but I think you would find a great difficulty in that. It is an experience in my own department, and I have a great deal of experience in entries of this sort. We have to take most minute precautions to index everything, or we would never find anything in the place. I think it would be absolutely necessary to index those entries, and it would be almost as simple to take an alphabetical register as it would be to take schedules such as you suggest, and index for reference. Indexing is rather laborious work. I have several men always employed doing nothing but indexing.

 228. I think

Chairman.

228. I think it has been put to you by a Member of the Committee that something like a million of children's lives are insured at this moment; take such a large number as that; a small tax on each insurance of a few pence would raise a very large revenue, would it not?—It would, of course.

229. And that might presumably be amply sufficient to pay for all the additional cost of registration?—It might be if you employed some existing organization, but if you set up a new organization which would have to be paid altogether out of that, it might be a serious matter.

230. That is the reason why I asked you if it could be grafted on your registrar's work; would it not be the case that in proportion to the number of children's lives insured would be the amount of revenue produced by a small tax? Yes.

231. Therefore, the more children insured, the greater would be the amount of revenue derivable from a small tax?—Yes.

Lord *Thring.*

232. Then you think it would be desirable to impose a tax on these small insurances?—I do not think it is desirable to impose a tax, but I do not see how it could be done without imposing a fee.

233. Would you wish to derive a revenue from these small insurances?—Not in the sense of making money out of them, but you must get enough to pay your officers.

234. You would make it simply to pay its own expenses?—It would have to pay its own expenses, it would have to remunerate the person who did it.

235. Then do you think they could insure at the rate they do now if they had this additional tax imposed upon them?—I really think they could; I think it would be a small thing.

The Witness is directed to withdraw.

Ordered, That the Committee be adjourned to 23rd April, at Twelve o'clock.

Die Jovis, 23° Aprilis, 1891.

LORDS PRESENT:

Earl of DERBY.
Earl SPENCER.
Lord POLTIMORE.
Lord NORTON.
Lord THRING.

HIS GRACE THE LORD ARCHBISHOP OF YORK, IN THE CHAIR.

MR. EDWIN NINESS, is called in; and Examined.

HAVING made certain statements he is asked by the Chairman whether he is prepared to verify such statements upon oath. On his declining to do so, his evidence is directed to be struck out.

MR. JOHN MALCOLM LUDLOW, is called in; and Examined, as follows:

Chairman.

236. YOU are the Chief Registrar of Friendly Societies?—I am.

237. And you have dealt with the subject of child insurance in a Report which you have recently made on the subject?—Yes.

238. You made reference to the Bill which was introduced by myself into the House of Lords, and which was read a second time and referred to this Committee. That Bill, in Clause 1, proposes to reduce the amount payable on the death of a child under five years of age to 4 *l.*, and on the death of a child between five and 10 years of age to 6 *l.*, and on the death of a child over 10, and being a boy under 14, or a girl under 16 years of age, to 8 *l.* That is to say, the Bill extends the limits of age for child insurance, while it reduces the amount of insurance. Does that proposal in that clause meet with your approval?—I see no objection to it.

239. May I ask whether you proposed any reduction of that kind to the Committee on Friendly Societies?—I proposed before the Select Committee of the House of Commons on Collecting Friendly Societies a limit of 4 *l.* under five years of age and 8 *l.* under 12, not going quite so far as your Grace's Bill goes.

240. But you proposed distinctly a reduction?—Yes.

241. And you proposed an extension of age as there is in this proposal?—I propose it so far as 12.

242. I think you state in a note to your Report that the "Foresters' Miscellany," the organ of the Ancient Order of Foresters, a very large society, although attacking my Bill on the ground of what is called the "Undertaker's" clause, says, "The Bill provides in Section 1 for the limitation of the amount to be paid upon death. To this we readily assent, as we are of opinion that the sums named therein are ample to provide for the burial expenses." That is so, is it not?—Yes, that is an extract from the "Miscellany."

Chairman—continued.

243. It would appear then that the Ancient Order of Foresters, which is a numerous Order, assents to my proposal of reduction of amount payable on death?—Apparently. Perhaps you will allow me to say, although it is generally speaking the organ of the Order, still I do not think the statements of individual writers would be considered as binding the Order generally. It would only be an expression of opinion by a person who enjoys the confidence of the Order.

244. And to a certain extent is entitled to speak for the Order?—To a certain extent, yes.

245. I think you also mention in your Report that a great number of friendly societies have voluntarily adopted a much lower scale?—A very great number.

246. Looking at the Report, I should imagine there must be 40 or 50 of them?—Those are mere samples. I have not continued the list since, but I could find any number more if I chose.

247. In your Report you say, "In justification of the lowering of the limits of payment, he would wish also to call attention to what he already pointed out to the House of Commons Committee of 1888, viz., the far lower scales voluntarily adopted by (genuine) friendly societies. The following figures are from the observation of rules which have come before him within the last year or two, and show both lower figures than those allowed by the Bill, and the extension of

Chairman—continued.

of such lower figures to higher ages. Order of the Sons of Temperance: the John Burns, No. 130; Beacon-on-the-Hill, No. 466; John Bright, No. 216, subordinate divisions: 1 *l.* on death under 3 years of age; 1 *l.* 10 *s.* between 3 and 10: 2 *l.* between 10 and 16 years. Lifeboat Section, No. 59; Our Future Hope Section, No. 150; Cadets of Temperance, under 5 years and 6 months, 2 *l.* 10 *s.*; under 6, 5 *l.*; under 7, 6 *l.*; under 8, 6 *l.* 5 *s.*; under 9, 6 *l.* 10 *s.*; under 10, 6 *l.* 15 *s.*; under 11, 7 *l.*; under 12, 7 *l.* 5 *s*; under 13, 7 *l.* 10 *s.*; under 14, 7 *l.* 15 *s.*; under 15, 8 *l.*; under 16, 8 *l.* 5 *s.* Grand United Order of Odd Fellows: the Loyal Sir W. W. Wynn Lodge, No. 126; Loyal Hope and Anchor Lodge, No. 136; 21 *s.* under 14 years. Nottingham Ancient Imperial United Order of Odd Fellows: Victoria, Queen of England Lodge, No. 533, 1 *l.* 5 *s.* under 12 years; Artizans' Refuge Lodge, No. 267, 1 *l.* under 12 years; Windsor Lodge, No. 1,082, 10 *s.* under 12 months, 1 *l.* under 12 years. Loyal Young Man Lodge, Juvenile Odd Fellows' Friendly Society, 5 to 8 years, 1 *l.* 10 *s.*; 8 to 10, 2 *l.*, 10 to 12, 3 *l.*; 12 to 14, 4 *l.*; 14 to 16, 5 *l.*; 16 to 20, 6 *l.* Independent Order of Odd Fellows, Kingston Unity, Sunderland District, 1 *l.* under 2 years; 1 *l.* 10 *s.* from 2 to 14 years. Ancient Noble Order of Odd Fellows, Bolton Unity, Pride of Coaly Tyne Lodge, No. 457, 1 *l.* under 15 months; 18 months to 5 years, 1 *l.* 10 *s.*; 5 years to 12, 2 *l.*; 12 to 18 for boys, and 21 for girls, 2 *l.* 10 *s.* British Order of Ancient Free Gardeners, Honeysuckle Lodge, No. 47, under 1 year, 1 *l.*; 1 to 5, 1 *l.* 10 *s.*; 5 to 12, 2 *l.*; 12 to 16, 2 *l.* 10 *s.* Ancient Order of Foresters, Court Garibaldi, No. 3,804, from birth to 7 years, 1 *l.*; 7 to 18, 2 *l.* Court Defence, No. 938, under 5 years, 1 *l.*; 5 to 9, 1 *l.* 10 *s.*; 9 to 12, 2 *l.*; 12 to 15, 2 *l.* 10 *s.* Manchester Unity of Odd Fellows, Loyal St. James's Lodge, No. 3,297, maximum, 5 *l.* at 5 years, and at 10, 7 *l.* Hope of Iffley Juvenile Foresters' Friendly Society, from 6 to 8 years of age, 2 *l*; 8 to 12, 3 *l.*; 12 to 14, 4 *l.* Loyal Dudley Juvenile Society of Odd Fellows, from 6 to 10 years of age, 1 *l.* 7 *s.*; 10 to 12, 1 *l.* 15 *s.*; 12 to 14, 2 *l.*; 14 to 16, 2 *l.* 10 *s.*; 16 to 18, 3 *l.* Astley Park Juvenile Odd Fellows' Friendly Society, ages 3 to 16, burial money, 3 *l.* to 8 *l.* Oldham Parish Church Schools Sick and Burial Society, 6 to 10, 2 *l.*; 10 to 16, 4 *l.*; 16 to 20, 6 *l.* Tradesman's Wife's Friendly Society, Halesowen, 10 *s.* under 1 month; 1 *l.* under 1 year; 2 *l.* under 4 years; 2 *l.* 10 *s.* under 7 years; 3 *l.* under 12 years; 3 *l.* 10 *s.* under 18 years for a male, and 21 for a female. Primitive Methodist Sick and Burial Society, Helmshore, 5 to 12, 4 *l.*; 12 to 18, 4 *l.* 10 *s.*; 18 to 20, 5 *l.* 10 *s.*; over 20, 9 *l.* Church of England Juvenile Temperance Benefit Society, 5 to 10, 1 *l.* South Crossland Children's Funeral Society, up to 3, 1 *l.*; 3 to 5, 1 *l.* 10 *s.*; 5 to 6, 1 *l.* 15 *s.*; 6 to 7, 2 *l*; 7 to 8, 2 *l.* 5 *s.*; 8 to 9, 2 *l.* 10 *s.*; 9 to 10, 2 *l.* 15 *s.*; 10 to 11, 3 *l.*; 11 to 12, 3 *l.* 5 *s.*; 12 to 13, 3 *l.* 10 *s.*; 13 to 14, 3 *l.* 15 *s.*; above 14, 4 *l.* The rules of a trade union show equally moderate figures: South Derbyshire Amalgamated Miners' Association,

Chairman—continued.

under 14 years of age, 1 *l.* 10 *s.* Even a local collecting burial society does not reach the legal limit for any age higher than the one now protected. Macclesfield General Building Society, maximum up to 12 years of age, 7 *l.* 10 *s.* The above figures show the paradoxical fact that the respectable working men of this country receive often much less on the death of their children than the classes below them in the social scale"?—Yes.

248. From the foregoing, it appears that a very large number of these friendly and benefit societies of various kinds give a very much lower scale of payment than is at present allowed by law?—Quite so.

249. And it has been stated to us by more than one witness that any reduction of the amount payable by law would lead to private subscriptions, and what are called "Friendly leads," and so on, and would prove injurious in that way; but that would not appear to be the opinion of all these societies that I have referred to?—Certainly not.

250. And, as a matter of fact, it has not led to any such abuse?—That I cannot say.

251. It would be presumed that they do not think so, at any rate?—Perhaps you will allow me to point out a special case of a local collecting burial society, the Macclesfield General Burial Society, which only gives 7 *l.* 10 *s.* up to 12 years of age.

252. In fact, in a very great number of these societies, they have found it quite sufficient to give amounts much less than are allowed by law?—Quite so.

253. You state in your report that there is a large amount of insurance on the lives of children, which under the law as it stands, is substantially innocuous?—I certainly think so.

254. And you say so, especially under two conditions; will you kindly inform the Committee what those are?—The two conditions are where it is combined with the insurance of the child in sickness. That, I may say, is the case with almost all the juvenile societies connected with the great Orders, such as the Manchester Unity, or the Foresters; there is the insurance of the child in sickness, and there is a sum of money payable on the child's death. Then, also, I say, "where the payments for both benefits are made in one sum, and at intervals, say of a month or more, and at the office of the society." I think I would go even a little further than I did in my report, and say that wherever that second condition is fulfilled, whether the provision made, both in sickness and at death, is for a child, or a parent, it makes no difference. I mean this. In a large number of lodges of the Manchester Unity and other orders, the father is insured in sickness and at death, and the life of the child is insured without its being insured for sickness. But still, there the two objects are provided for in one payment, and there, too, I think there is substantially no danger.

255. You think it is a great safeguard that the payment of death benefit and sick benefit should be combined; and also the fact that these payments are made in one sum, and at intervals of a month

Chairman—continued.

month or more, and at the offices of the society, where the man is presumably known, is also a safeguard against the abuse of child insurance?—Yes.

256. Of course where these safeguards do not exist there is a much greater risk of evil in connection with child insurance?—So I consider.

257. You think that the collection of premiums, not by fellow members, but by a professional collector, having a large pecuniary interest, tends rather to abuse?—I think it is very dangerous.

258. You think that the danger lies in its being in the interest of these agents to obtain as many lives as possible, whether they are safe lives or otherwise?—Yes, and in the attention of the parent being perpetually called week after week to the prospect of his child's death. I think that is a moral cause of very great weight.

259. And the parent is constantly reminded by the visit of the collector of the fact that he can make so much by the child's death?—And as soon as the child gets ill that prospect seems to assume a reality.

260. There is also the safeguard that the members of the society, at least in small areas, must be known to one another, and that there is very considerable local and personal supervision?—Quite so.

261. Which is not the case and cannot be the case with the collecting societies?—Quite so.

262. Have you formed any opinion as to the class of persons who insure in these collecting societies as compared with those who insure in the friendly societies?—In this respect I can only speak from my old experience as Secretary to the Friendly Societies Commission, and there it was certainly borne in strongly upon us that the poorest classes insured only for burial purposes in these collecting societies. All my subsequent experience has tended to confirm that, but I could not have come to the conclusion merely from my experience as Chief Registrar.

263. But you have from other experience come to that conclusion?—I have distinctly.

264. That is to say there is a broad distinction between the class of persons who as a rule insure in friendly societies and the class of persons who as a rule insure in collecting societies?—I would rather say that the collecting societies without being confined to the lowest strata of the population still go lower than any other class. That is what I mean. Still there are, no doubt, a large number of artizans and others who also insure in these great collecting societies and companies, many of them making provision for sickness in other friendly societies. Many persons belong to both classes. But I think that as I said, the general collecting society reaches a lower stratum and that by means of its collectors. The collectors calling from house to house upon every inmate of that house necessarily get a hold upon persons who otherwise would not take the trouble to go to a benefit society.

265. And who, perhaps, if they did go to a benefit society would not be accepted, on the ground of their being undesirable members?—They probably could not afford the contributions.

266. There was a case which occurred in Oldham, and is referred to by the Chief Registrar in his Report for 1888, which you noticed in your Report?—Yes.

Chairman—continued.

267. The case of a mother whose child, 10 months old, was insured for 5 *l.*, "swallowed a marble"; will you state the circumstances?—I am afraid I have not got here the report of 1888.

268. You state that the mother did not send for the doctor till the morning after the accident, and when told by two doctors that only an operation could save the child refused to allow it?—Yes.

269. Such cases, you say, may take place very numerously?—I have no doubt they do.

270. It is not very much to the interest of the collecting societies to dispute such cases?—They do not like to dispute cases.

271. Therefore there is a greater danger of foul play to a child insured under a collecting society than there is to a child insured in a friendly society, for the reasons you have given?—No doubt; there is the oversight of the brother members. All the other members have a direct interest in the character, and the solvency, and the respectability of their society.

272. You say in your report, "The Chief Registrar is inclined to think that the efficacy of the new Bill would be increased by requiring a child to have been insured for at least six months before any insurance money can be paid, and that it might even go so far as to prohibit all payments on the death of infants under 12 months old"?—That is my opinion; certainly under six months.

273. Would that be because a child of six months must be better known than an infant of a few days?—One hopes that a child of six months has won the affection of the parents more than it has done in the first few hours. There is something very frightful in the idea of infants being insured, as they are sometimes, within a few hours of their birth. The child is scarcely born before the parent thinks of its death.

274. Then the risk to infant life is much greater and the infant mortality much higher within the first month than it is in subsequent months?—No doubt,

275. The risk of death diminishes with the age of the child?—Yes.

276. The temptations and facilities for crime are greater in the case of a child under a month, because the presumption is so strongly in favour of a child having died from some natural cause?—Yes.

277. And you think that the prohibition of insurance under six months would, to some extent check that?—I think it would.

278. With respect to the age of insurance, you state that the affiliated orders have sought to break down what you think are the wholesome, though insufficient, restrictions of the present Acts; would you kindly state to the Committee what you think are the legal restrictions under the present Acts; you refer to Section 8 of the Act of 1875, which says that parents, members of a society, may insure the funeral expenses of their children from birth upwards?—"For insuring money to be paid on the birth of a member's child, or on the death of a member, or for the funeral expenses of the husband, wife, or child of a member,

Chairman—continued.

a member, or of the widow of a deceased member." There is no limit as to that.

279. Then will you kindly refer to Section 15, Sub-section 8, as since amended: "Societies or branches, consisting wholly of members under 21 years, but exceeding three years, may be allowed to register under this Act." That is to say, a child of three may insure money on its own death, but subject to the limits and conditions of Section 28?—That is so.

280. May a child of three insure money on its own life?—Yes; but it will always be subject to Section 28.

281. Is that the section which limits the amount?—Yes, that is the section that limits the amount.

282. Then there is an exception to that made in favour of societies which, on the 1st January 1876, had any rule or practice for the admission of members under three. They may continue to admit such?—Yes.

283. For instance, a new-born baby may in the "Royal Liver," or the "Liverpool Victoria Legal," be supposed to insure money on its death?—Yes.

284. What do you consider are the defects or weakness of those provisions?—I think to call a mere baby a member is a farce and utterly unreasonable.

285. Again, I think you are of opinion that that privilege of membership given to societies, which had such privileges on the 1st January 1876, should not be continued?—No, I think it should not.

286. You think there is no reason why they should not fall under the general provision of other societies?—I think there is not.

287. You think there is no reason for an exception in their favour?—No, none at all. We constantly have applications from new societies being registered. They try to put in their rules provisions for infants' membership, and they say, it is very hard that they cannot compete with these old established societies which do admit such members, whereas they are excluded from doing so. There is something in that argument no doubt.

288. You think whatever limit is fixed should be carried out for all societies equally?—Yes.

289. You think further, that no harm would be done if this limit of what you may call self insurance or membership in a society were raised from three to seven years?—I think not.

290. You think that a child of three cannot in any true sense of the word, be called a member of a friendly society?—No.

291. But at seven it is capable of understanding and appreciating?—Yes.

292. Then your suggestion is that this limit of three should be raised to seven, and then that the limit of seven should be adopted for all societies equally; no exception or privilege being given to any society?—I do not attach very great weight to that; I do not think substantially that the three years' membership does any harm.

293. Several of the witnesses who represented the affiliated orders here were very desirous of engaging in, what we may call commercial business for outsiders; that is those not belonging

Chairman—continued.

to their societies, and complained that they were over-weighted by the collecting societies in public competition: do you think it desirable that they should be granted that privilege?—It appears to me that they are under a complete misapprehension. There is nothing whatever which prevents them now from admitting a class of members solely for the purpose of insuring their children, who would not be subject to the provisions as to health, &c., which are required from members insuring for sickness. I think it is virtually a mare's nest of theirs.

294. You mean that practically they now have the power of insuring anyone who is not a member of the Order?—If they so provide by their rules they might admit a class of members solely for that purpose.

295. But in that case all the advantages in favour of infant life that we have presumed exist, in the case of friendly societies would vanish, and they would so far become practically commercial and collecting societies?—I do not think they would altogether vanish, because the previous character of the Order would remain.

296. Still it would run a risk of deteriorating?—I should be sorry to see them do it I confess.

297. There would be a risk of bringing on all the evils which are supposed to attend the collecting societies?—Yes.

298. Section 28, Sub-section 2, of the Act we have referred to forbids payment to any but the parent or personal representative of such parent; what do you understand the expression "personal representative" to mean?—I drew the Bill in conjunction with my learned friend the Assistant Registrar, and I must certainly say that neither of us had the slightest notion that so well known a legal term as "personal representative" could be construed otherwise than as executor or administrator.

299. What has it been construed to mean?—Mr. Justice Day seemed to imply in his evidence that it included guardian or any case of that kind.

300. Any such explanation of the term would give rise to baby farming obviously?—I think it would be very mischievous. If necessary the term should be defined, but I should certainly object very much to the insurance by guardians.

301. Have you heard any cases of what we may term irregular societies (one was particularly mentioned at Rochdale) such as chapel clubs and slate clubs in which the lives of the children may be insured and a sum of money paid without any medical certificate and without any registrar's certificate. I think a distinction must be made between these companies at Rochdale and any societies in connection with Sunday schools or other institutions. The latter seem to me to be simply unregistered societies, and it has aways been held by my office that unregistered societies are distinctly within the provisions of Section 28, and penalties have been recovered against their officers where they have insured the lives of children and paid money without a registrar's certificate. But the case of these companies at Rochdale is a very peculiar one. They were formerly registered as friendly societies, but they rebelled against the requirements of the

Chairman—continued.

the Friendly Societies Acts, and they became converted into companies. The case was laid before the officers of the Crown, and the officers of the Crown were of opinion that although made companies, they were not life insurance companies within the meaning of the Life Assurance Companies Acts. So that they are neither friendly societies nor life assurance companies, and they may do whatever they please. It certainly seems to me very important that some steps should be taken to define the position of these few companies; there are only three or four of them.

302. Would it not prevent all ambiguity of the kind you have spoken of if instead of the word "society" in the Friendly Societies Act you used the words "any person or persons." That would include societies and would also include such associations as you now refer to at Rochdale?—I am afraid that if you provide that "person" would in all cases in the Act include a corporation that might lead to very unlooked-for consequences.

303. Would not every society consist of persons; would not the term "person or persons" include societies of all kinds and also include what are not societies?—It would not include a company unless it were specifically so defined.

304. If you were to use the expression "all societies, and also every person or persons," would that cover the case of these Rochdale societies?—I think to include them among the industrial assurance companies would be the better plan.

305. Would there not be a difficulty in specifying all these different kinds of associations?—I would merely simply say that a friendly society which has been converted into a company should be held to be an industrial assurance company.

306. But would not that cover the case in which the managers of a Sunday school or the trustees of a chapel were to say "You shall have a benefit upon death in this society if you pay a penny a week"?—Those cases have not been brought before me. I know there are a good many unregistered societies in connection with Sunday schools, and those as I said, I should think were already included by the terms of the Act.

307. If you added to the word "society" the words "person or persons" would not that sufficiently cover all those cases?—Yes, I think possibly it might; or the better plan would be to insert that in Section 28 itself.

308. In my Bill, if I remember rightly, there is a clause that the word "society" shall include "person or persons," and the words "person or persons" shall include "society"; that would cover the case?—Yes, I think so. If you confined it to Section 28, I think there would be no harm in it.

309. Clause 10 of the Bill, is "In this Act unless inconsistent with the context, the expression 'society' includes any society mentioned in Section 8 of the Friendly Societies Act, 1875, and also a company within the meaning of the Life Assurance Companies Act, 1870, and a trade union within the meaning of the Trade Union Act Amendment Act, 1876." I would propose to add to that, in addition to the word "society" the words "person or persons"?—That would not cover the Rochdale case, because they are held not to be an insurance company.

310. But if it is "person or persons" that would cover it?—No, I do not think it would. You had better put "or companies insuring money." That would do it, if you threw out the words "industrial assurance." I do not object to the words "person or persons," however.

311. Do you think the trustees of a chapel could be called a company?—No.

312. You have been good enough to answer the questions I put to you, founded on your report; are there any observations you would like to make to the Committee on the subject?—The Committee have been good enough to allow me to see the evidence which has been given by the Registrar General for Ireland, and there has been a proposal put forward for registering all insurances of children. I am afraid that would be quite impracticable. I do not see very well what officer could be entrusted with such a task, and it seems to me, to a great extent, it would be doing the work of the societies themselves. However, it is quite a new idea to me, and I have not considered it fully.

313. As I understood the proposal, it was this, that not the persons insuring, but the societies, should be required to give notice to the Registrar of a case in which a child or person was insured, stating that an insurance for so much had been effected for that child; would it be an impossible thing for the registrar of the district to receive such notices, and to register them?—Of course I cannot myself say what the registrar of deaths could do or could not do.

314. When you spoke of its being impracticable, had you in your mind that there should be a central office for all such registration, or what I now state to you is proposed, that in every case of insurance notice should be given to the local registrar, who should be required to keep a record of it?—There was a question raised by Lord Selborne as to whether the Friendly Societies' Registrar should not be the person. It is at 212. "Could there not be a registry established in each centre of population, under the Registrar of Friendly Societies." Well, that would imply a very great extension of my office, and one which could not reasonably be carried out without casting upon the local officers many other duties besides that of merely registering the insurance of children.

315. In point of fact it would involve increased remuneration of the office?—Enormously so; because we should require to have as many registrars as there are offices throughout the country. As far as my office is at present constituted it would be quite impracticable.

316. My Bill proposes to make illegal insurance, as well as illegal payments on the part of a society, penal; do you approve of that?—Entirely so.

317. If I am not mistaken, you pressed that

Chairman—continued.

proposal upon the House of Commons Committee of 1889?—I did.

318. You think it very desirable?—Very desirable.

319. It also raises to misdemeanours most of the acts which are made offences punishable by fines not exceeding 5 *l.*, by the Friendly Societies Act; do you approve of that?—No, I do not. I think if you make the penalty too great you would never get convictions.

320. You would not, therefore, propose to make these now fineable offences misdemeanours?—No.

321. But you would make distinctly illegal acts on the part of an agent penal?—Yes.

322. Have you ever considered the proposal which has been made to me by a good many persons, approved of by some witnesses before us, that in every case in which the parents or guardians of an insured child have been convicted of cruelty to the child or criminal neglect, the insurance of that child should *ipso facto* lapse?—I have not considered the proposal. I can see there is a good deal to be said in favour of it, On the other hand it would lapse for the benefit of the society or company.

323. It would lapse for the benefit of the society, but it would also lapse for the punishment of the individual insuring?—Yes.

324. It would have, most probably, a considerably deterrent effect?—Yes; but at the same time perhaps only one parent might have been guilty of neglect, and it might practically deprive the other parent of the help of the insurance.

325. Then you would be prepared to modify it to this extent, that in every case in which the magistrate should recommend that the policy should lapse, it should so lapse; that would allow the case you speak of being taken into consideration?—It would be a very wide discretion to give to all magistrates, but I think it would be better than the other.

Earl *Spencer.*

326. I think you considered the collecting societies in the case of insurance of children as a source of danger?—Yes.

327. Are there not many cases in rural parishes where the collecting societies have really promoted what is beneficial to the poor, whereas the benefit societies have been unable to do so?—I am not aware of any.

328. Have you any figures to show that mortality among children is greater among those insured in commercial societies than those insured in friendly societies?—No, I have not any figures. I do not think it would be possible for my office to collect those figures.

329. Did you found your statement on that point on general observation, or instances brought before you?—I found it upon experience of 19 years (including the time when I was secretary to the Friendly Societies Commission) during which the subject has been under my notice, and I do not think I recollect more than one case in which any society other than a collecting society has been involved in any of those trials for child murder for the sake of the burial fees, which have been before the public during that time.

Earl *Spencer*—continued.

I believe there was one case in which a child was insured amongst others in the Manchester Unity. I do not think there was more than one.

330. You mention friendly societies and industrial insurance companies, and there are the Rochdale cases, where, I imagine, they are insured under the Companies Act?—The Rochdale cases are neither flesh, nor fowl, nor good red herring. They are not friendly societies, they are not life insurance companies, and yet they effect insurances upon lives. That is stated to be their position by the Law Officers.

331. And can they evade the restrictions which are imposed on insurances by the Friendly Societies Act?—They do, as a matter of fact.

332. Are there may others besides Rochdale?—No. It is a very small group at Rochdale itself; I think there are three.

333. They can insure very young children for a greater amount than could be insured under the other two classes of societies?—Yes.

334. Is there any great distinction between the restrictions on friendly societies and industrial life insurance companies?—No; they are both brought within Section 28.

335. They are under the same regulations practically?—The same regulations.

336. The commercial companies are not so strictly regulated as the friendly societies?—No, they are not. The provisions of the Friendly Societies Acts are more stringent generally than those of the Companies Acts. There is no doubt that is the case.

337. In what particulars?—In a number of different ways. If I had the Companies Act before me I could probably tell you. I think you will find that there are a great number of acts which are made offences by the Friendly Societies Acts, which are not so by the Companies Acts. I have not got the Companies Act before me, but I do not think there is anything answering to Sub-section 3 of Section 14, of the Friendly Societies Act. "It shall be an offence under this Act if any registered society, or any officer or member thereof: (*a*) Fails to give any notice, send any return or document, or do, or allow to be done, any act or thing which the society, officer, or person is by this Act required to give, send, do, or allow to be done: (*b*) Wilfully neglects or refuses to do any act, or to furnish any information required for the purposes of this Act, by the chief or any other registrar, or other person authorised under this Act, or does any act or thing forbidden by this Act; (*c*) Makes a return, or wilfully furnishes information in any respect false or insufficient." I do not think there is anything corresponding to that in the Companies Act. But, as a matter of fact, the case of these Rochdale societies proves the point. They were friendly societies. In order to escape from the requirements of the Friendly Societies Act they turned themselves into companies, and in that way were able to insure children's lives in a higher amount than they would have been able to do otherwise. In that way, it having been held by the law officers of the Crown that although companies they were not life insurance companies; they were able to do anything they pleased.

338. They

Chairman.

338. They are totally exempted from all legal restrictions?—From all legal restrictions in this respect.

Earl *Spencer.*

339. But practically the other two classes of society are under the same regulations?—So far as Section 28 is concerned.

Lord *Norton.*

340. Do the recommendations in your Report agree generally with this Bill in both extending the limit of age and in reducing the amount, or only in reducing the amount?—Both.

341. Not exactly in the same degree, but to a certain extent?—I have no objection whatever to the limits proposed by the Bill.

342. I suppose the idea as to amount is based on what is the usual or average cost of a child's burial?—Yes.

343. Is there not this difficulty, that the expense of burying must be very different in different places, in town and in country, so that there could be no average calculation of what the sum should be?—It is almost a matter of necessity that you should strike an average. The prices no doubt do differ in different parts of the country.

344. Do you suppose 4 *l.* to represent the average cost of burying a child under five?—I should think it ought to be sufficient for the class who insure in these societies.

345. Are there not other expenses, such as doctor's fees, mourning, and so on to be considered, beside the actual funeral expenses?—That is what the societies put forward, but the cases of these friendly societies connected with Orders show, I think, that that is not understood by many of the working classes. For instance, the fact that the Lodge of the Nottingham Ancient Imperial Order of Odd Fellows, a considerable body, with, I think, a membership of 40,000, thinks it sufficient to give 1 *l.* 5 *s.* to children under 12 years, shows that they do not deem the providing of mourning, &c., a necessary matter for their own members.

346. I suppose you can hardly state, from your own knowledge as Registrar, whether these sums are usually spent in funeral expenses?—No, I could not say from my own experience; but in one of my reports I collected some evidence as to the actual cost of funerals which had come before me under the Post Office Savings Banks Acts; and the sums are often very low. If your Lordships will allow me to forward you a reference I will do so; I have not it by me now. The figures are rather curious.

Chairman.] We should be glad if you would forward those figures. (*Vide* Appendix D.)

Lord *Norton.*

347. Do you think our object in checking abuse should rather take the line of limiting both age and amount, or should take the line of increasing penalties upon a child's death under suspicious circumstances?—I think the limitation of age and amount is that which would act most generally.

348. Do you think the line of diminishing the temptation or increasing the penalty would be the best line for us to adopt?—I do not think one excludes the other. Where there is an actually suspicious case I do not see why the penalties should not be increased.

Lord *Norton*—continued.

349. You were talking of penalties upon parents in case of cruelty; would a provision of that sort in an Act upon this subject cast a needless slur or reflection upon the great mass of honest people who are insuring?—I can see that there would be an objection to it. I do not feel strongly in favour of it myself.

350. Does it not seem to assume that a number of parents insuring their children are of this brutal description?—It would be better in a penal Act than in one of this description.

Earl of *Derby.*

351. I suppose in the case of any parent who was not restrained either by scruple or affection, from putting an end to his child's life, there would be considerable inducement to do so from the saving of expense quite apart from the question of the life being insured?—No doubt there would, but the other would afford an additional temptation.

352. Therefore you can only diminish the temptation which in any case will exist?—I think you diminish it considerably, for the sum offered is great compared with the circumstances of the parent. A 5 *l.* note to a man who earns but a few pence perhaps a day is a tremendous temptation.

Chairman.

353. With respect to the question of a provision for the lapse of a policy in the case of cruelty to children, it has been asked by a Member of the Committee whether this might not imply a reflection upon respectable artizans; but there being abundant evidence of considerable cruelty to children, not merely on the part of the working class, but on the part of the upper class and gentry, on the part of rich and poor, would there be any reflection upon any class in saying, "If you are cruel you shall lose the policy"?—I do not object to your Lordship's proposal in itself, but I rather agree with what has been said, that it would be better not to put it in this Bill. I think it ought to form part of the general law of the country.

354. Might you not say of the general original statute of George III., that it implies a reflection upon parties insuring. If you make any attempt to protect the life of an insured child or an insured man against somebody else, do you not thereby imply that he needs protection from that person; and that is so far a reflection, is it not?—I quite agree with you. I have come of late years to think that the mere making an insurance void where there is no interest, is probably not sufficient. That is why I should prefer dealing with the subject by means of a general Act than in this particular measure.

355. If it were dealt with in the general Act there would be no reflection, except a reflection upon human nature itself?—I may be allowed to point out that this Bill is looked upon by the working classes as one specially affecting them, and therefore I think it is necessary to deal with it with great caution.

Lord *Norton.*

356. Do not you think that any provision against abuse or cruelty, or anything of that sort, should apply to all societies, not particularly to those to which the working classes particularly contribute?—I think as to cruelty it should apply to all persons.

357. Is it not rather objectionable to suggest this abuse, and would it not be better to meet such abuse by a special Act for the purpose, imposing penalties in case of cruelty amounting ta suspicious circumstances of death?—I think it would, but without abandoning the necessity of guarding against such abuse in a more general way by these limitations of age and amount.

Chairman.

358. If the possibility of getting a money profit on a child's death is admitted to be a temptation, if you put against that the deterrent consideration that if a parent is cruel to that child he will not get a penny, would not that constitute a very strong thing to be set in the balance against that existing temptation?—No doubt.

Lord *Norton.*

359. You say that the insurance is an additional temptation to a vicious parent to neglect the child; but is the additional temptation of a few shillings of that sort to be compared in amount with the total expense of the keep of the child; is not the addition infinitesimal?—I think that the actual sum is a great temptation to a very poor and a very reckless man. Living as he does from hand to mouth, I do not think he considers the expense from day to day nearly so much as the 5 *l.* note. That has a prejudicial effect upon him.

Chairman.

360. The 5 *l.* note would pay his rent, get his clothes out of pawn, and extricate him from any difficulties?—Yes.

Lord *Norton.*

361. Would his gain, after payment of the funeral expenses, exceed 30 *s.*?—Perhaps not.

The Witness is directed to withdraw.

Mr. J. SMITH HODGSON, is called in; and Examined, as follows:

Chairman.

362. You reside at 39, Sidwell-road, Sheffield?—Yes.

363. What position or positions have you filled in connection with insurance?—I have filled the position of agent, assistant superintendent, and canvasser.

364. To what societies?—To the Prudential.

365. Extending over what period of time?—About 14 to 16 years.

366. In what place?—Three times in London, as agent, and once each in Shipley, Keighley, Birmingham, and Malton. In Whitby, Hartlepool, Middlesborough, Stockton, and Manchester districts as canvasser.

367. In what office or offices?—For the Prudential.

368. Entirely for the Prudential?—Yes.

369. During that period why did you give up being an agent?—I gave up two years ago in London.

370. For what reason?—One reason is the voice. Without a voice one cannot do any business scarcely, and that was my great difficulty.

371. You left of your own free will?—I resigned my agency in London.

372. Were you dismissed by the society?—No. I have never been dismissed in my life.

373. Had you any dispute or quarrel with the society?—I had a misunderstanding with the chief superintendent. He was taken from here and sent down to Nottingham, and as half the commissions which I was drawing ceased when he was sent away, so of course the agreement was broken as you might say.

374. He was sent away, but you were not?—He was sent away; I was not.

375. Were you reproved or dismissed in any way whatever?—No. I resigned my agency, and I have got the acceptance of the resignation at my place.

Chairman—continued.

376. In the discharge of your duties, were you brought directly into contact with insurers?—Yes, all the time.

377. These insurers frequently insure children as well as adults?—Yes, from children to adults up to the age of 80 or more.

378. You endeavoured of course, when you obtained access to a house, to insure as many in that house as you could?—Certainly.

379. What class, morally considered, would you say were chiefly insured?—The poorer working classes are mostly insured. There is a greater average of insured people among them than any other class of people.

380. Is it your opinion that what I may call the independent upper class of artizans go more into friendly societies than into collecting societies?—The better class of working men go into building societies, and friendly societies, and savings banks. That is what they mostly go in for; still there is a nice proportion amongst them insure their children, and many of them their husbands for 50 *l.*, 40 *l.*, and 30 *l.*

381. But still, as a matter of fact, you have found that the better class artizans prefer as a rule the friendly societies to the collecting societies?—They do.

382. Do any of the idle, and what we may call the low living class insure?—Yes, extensively, a great proportion of them.

383. Do drunken or low living people ever insure within your knowledge?—Yes.

384. You take all sorts?—We had to take all sorts. We had to go out canvassing, and if we were satisfied with the people, if we could get them, we accepted them as members and sent the proposals up to the office and received the policies.

385. You were not in the habit of inquiring too closely into the character of means of living of the persons who insured their children?—An

agent

Chairman—continued.

agent uses his own judgment. He has many questions to ask, but he does not ask so many of them. If he is satisfied, and some are satisfied with less than others, then he accepts, and answers the questions in one formal way. If you examine the proposals you will find they are nearly all filled up in the same way, whether they are weak or strong, young or old.

386. Do you think if an agent were to reject a proposal of insurance on the ground of ill-health, or bad character, some other agent would be likely to take it up all the same?—Yes, they mostly take it up. If one will not take it up, it is very often the case that another will, and many of them are glad to get them. I am speaking of the insurance of children.

387. Therefore the agent would naturally say, "If I do not do this another will, and therefore I will do it"?—Yes, the danger he has to contend with is this: if he takes a weak life, if it dies within the period of benefit he is in danger of losing his situation; but when he takes a man, if he is intemperate, if he is healthy he has an excuse, because the doctor certifies he has been badly so long.

388. I am not talking now of insuring the life of an intemperate adult, but of insuring the life of an intemperate and low-living man's child; do you think such persons find any motive for neglect of their children in the prospect of insurance money coming on the child's death?—That has always been my opinion and my experience.

389. Have they ever used this expression to you: "I am tired of paying; it is like paying for nothing"?—Yes, we often heard that expression.

390. Did you observe that in any particular case?—We heard it in many cases, but we thought nothing about it. We used to pass on.

391. You do not at the present moment recollect or specify any particular case?—We used to say to them that we could not believe them, just to pass it off.

392. Was it your duty to report such cases to the society?—No.

393. You were not expected to do so?—No.

394. Did you, as a matter of fact, report any such cases to your society?—I do not think so. I do not think it was ever expected. When we take a proposal it is done with for the time being.

395. Would it be considered in the interests of your society that such negligence should be reported to it; would they like you to report it?—I believe that the Prudential would; but still they never asked, and we never say anything.

396. In point of fact, then, there is a great deal of carelessness, to say the least of it, on the part of insurance agents, as to the parents of the children they insure?—Yes; simply because they have to live on commission. That commission has been reduced this last few years, and they have to use extra exertion to get new members, they being scarcer.

397. You are aware, I presume, that agents are paid partly by what are called procuration fees, that is payment for the new insurance, and partly by a percentage on the money they bring in?—That is true.

398. Do you know which of the two pays the agent best?—Do you mean ordinary or industrial companies?

Chairman—continued.

399. I am taking the case of an agent collecting for a collecting society, who gets a procuration fee on every fresh insurance, and who also gets a certain percentage upon the income which he brings into the society?—Yes.

400. Now which of those things is of most importance to the agent?—They are both important; because if he can raise his collectible debit up to a certain amount he has a regular salary on that, but until he gets that he is obliged to procure a lot of new businesses to subsist on. He must do it or else give his agency up.

401. If I am rightly informed, the insurance of a single new life, bringing in one penny a week to the society, produces at once to the agent the sum of 1 *s.* 8 *d.*?—If it keeps good; but if it lapses within so many weeks he has only four or five weeks. In fact, if it lapses before the child is 21 years of age the agent has to make it good, so that he receives nothing in a way of speaking; the average would not be more than 9 *d.*

402. But he does receive in the case of a new life a lump sum?—He does at the time, but if he insures a person this week and has lost another he gets nothing; the one has to make up for the other,

403. Suppose that that payment of procuration fees were done away with altogether, and an agent got nothing for a new life, but got a larger percentage upon the income he collects, there would be less temptation, would there not, to go about looking for new members in canvassing?—Yes.

404. And less temptation to accept new lives?—Yes.

405. In fact, the agent in that case would have more interest in a child living than he now has?—Yes; but the office has this difficulty, agents would not work if they were paid salaries. One-half of them are afraid to go out to canvass. They would not face the public unless there was a stimulus; they must go to earn their bread.

406. The office of the superintendent is very much to keep these agents up to the mark?—Yes; he has to keep their books correct, and to assist them in more ways than one.

407. Do you remember of any instance in which an assurance was cancelled by a society, because of the proved neglect of the children insured?—I have never known one instance.

408. Were any instructions ever given you to assist the police in case of suspicion of any neglect of children?—No.

409. We have it in evidence that coroners do not receive assistance from agents of societies; would your experience confirm that?—Yes.

410. Coroners have stated to us that they did receive no such assistance; that you think is correct?—It is our business to keep everything as smooth as can be, to get nothing in the newspapers that is derogatory to ourselves or to the company.

411. To keep everything out of the press?—Yes, because we have to live on its good name.

412. Is it the case that the agents of insurance societies generally have assisted the officers of the Society for the Prevention of Cruelty to Children?—I do not know of any case; I do not think there ever was one.

413. Supposing that an officer, a collector we will

Chairman—continued.

will say, to one of these societies, did come forward in the case of cruelty to children and assist in a conviction, he would not be very popular in the district?—He would lose all his popularity, and all his members. They would tell him to mind his own business, and they would not have him to come into the house; because they would be afraid of him saying something about them.

414. We have had it in evidence from relieving officers in several large towns that persons in poverty whose children were insured have applied for and obtained a parish burial for them at their death; do you believe such evidence is true?—Yes; it used to be frequent both for children and grown people.

415. In that case it is clear that the money for which the child was insured was never spent on its funeral?—There are a great many cases of that sort. I have known cases where the undertaker has not been paid for months afterwards. The money has gone in foolish frivolous ways at the time.

416. Had such cases come to your knowledge would it have been your duty, or did you receive directions to inform the parish authorities of this fact?—It is not a part of our duty. We expect them to look after their duty, and we look after ours.

417. As you say, it is more to the interest of the agents and the society to hush up such facts?—That is correct.

418. Would you say it is an advantage to your society to make prompt payment on the death of children?—The prompter the better. We can secure new business by prompt payments.

419. Therefore it comes to this, prompt payments, even at an occasional loss, would ultimately be to the profit of the society in order to get a good name for prompt payment?—Yes.

420. It would not get a good name if it were always to dispute policies?—I know I have lost members through not paying quickly when there has been a little bit of a hitch in the

Chairman—continued.

claim-form and it has been a day or two longer. They said, "We will not pay any more," when they had got the money.

421. Instructions have been given by some societies that illegitimate children should not be insured; do you think that instruction is always carried out?—No, it is not always carried out, but the Prudential have a clause in their instructions that they must not be taken, I believe it is, till the child is 3½ years old. Formerly it used to be about one month.

422. We have it in evidence that parents or persons acting in the place of parents are allowed to insure the child; would your experience support that evidence?—That is not in accordance with the law of the society. If they know they do not allow it. But if they do not know it, and they do not in a great number of cases, then they are obliged to accept them. That is frequently done.

423. We have it in evidence that, besides insurances in registered companies and clubs, insurances are effected in public-houses, in slate clubs, and other unregistered societies; does your experience support such evidence?—I have known a few cases, but not so many. We insurance people know that in Lancashire there is a lot of that kind of business. There used to be an extraordinary quantity of it there. But the Prudential has put the screw on. They are very particular there now, and they do not allow it.

424. The large societies come down upon these irregular societies?—Yes.

Lord *Norton.*

425. Would any parish pay for the burial of an adult who was known to belong to a society?—It is very seldom they know. It is very seldom they ask the question. Some relieving officers are a bit more particular than others, but there are very few of them who interfere. They did not do two years ago. They do not interfere very much.

The Witness is directed to withdraw.

Ordered,—That this Committee be adjourned to To-morrow, Twelve o'clock.

Die Veneris, 24° Aprilis, 1891.

LORDS PRESENT:

Earl of DERBY.
Earl SPENCER.
BISHOP OF RIPON.
Lord POLTIMORE.
Lord THRING.

THE EARL OF DERBY, IN THE CHAIR.

MR. THOMAS C. DEWEY, is called in; and Examined, as follows:

Chairman.

426. WE understand that in consequence of statements that were made yesterday before the Committee you desire to give evidence?—Hardly that, my Lord. I am not quite sure as to the statements that were made, and have only learned them from reports in the public press. But I wish to say there were two discharged agents of the Prudential Company called yesterday without notice to the company, and so far as I can see the evidence they gave was utterly false.

427. We shall perhaps save you trouble and save our own time if we now inform you that the evidence of Mr. Niness, who was one of the witnesses you refer to, was struck out by the Committee, he declining to be examined on oath in support of what he had said, and we therefore considered that his evidence was not to be credited, and consequently we have struck it out?—I am much obliged to your Lordships.

428. But nothing of the kind passed with regard to the other witness, Mr. Hodgson?—Mr. Hodgson is a defaulting agent of the company, and is in our debt to rather a large extent. I did not know how many more men were coming, but I thought if your Lordships would kindly give me the names of the men, I would be here to give information with reference to them. I

Chairman—continued.

believe the country has been scoured to obtain the names of discharged men who are willing to make statements against the company, and we thought this was hardly justifiable without some notice to us.

429. You need take no further trouble with regard to the statements made by the witness Niness. With regard to the statements made by Mr. Hodgson, have you anything to add to what you have said?—No.

430. Do you generally deny the accuracy of his statement?—I did not hear his statement; I was not here yesterday, and I can only tell what he said from what has taken place. I only suggest that the Committee should take his statement, knowing that he is an agent who is in default to the company, and I believe has been induced by Mr. Waugh to come here.

431. It is evidently useless that you should comment to us upon evidence which you have not heard, but you shall be supplied with a copy of that evidence, and if, after having seen it, you wish to make any statement in any way to contradict or qualify it, you will have an opportunity of doing so later?—I am much obliged to your Lordship.

The Witness is directed to withdraw.

Ordered, That this Committee be adjourned, *sine die*.

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Appendix A.

PAPERS handed in by Dr. *T. W. Grimshaw*, 14 April 1891.

FORM A.

RETURN of Deaths of Children under 12 Years of Age reported within the Metropolitan Police District whose Lives have been Insured, and in which Cases Death Certificates have been applied for during Weeks ended 1st, 8th, 15th and 22nd November 1890.

Number of Case.	Registrar's District.	Number in Register.	Date of Death.	Sex.	Age.	Occupation of Father.	Cause of Death and Duration of Illness.	Whether Certified by Medical Attendant.	Whether Certificate for Insurance issued.
1	1 North West	255	27 October 1890	M.	2 years	Painter	Membranous Laryngitis	Yes	Yes.
2	Ditto	260	27 October "	F.	6 months	Store Clerk	Delicacy from birth	Yes	Yes.
3	Ditto	265	31 October "	M.	9 months	Floatman	Bronchitis, convulsions, 12 hours.	Yes	Yes.
4	2 South	401	26 October "	F.	4 months	Labourer	Convulsions, 4 hours	No	Yes.
5	Ditto	402	24 October "	M.	22 hours	Pavior	Debility from birth	No	Yes.
6	4 South	246	26 October "	M.	4 years	Coal porter	Convulsions	Yes	Yes.
7	Ditto	247	27 October "	M.	1 year	Coal porter	Convulsions	No	Yes.
8	Ditto	248	28 October "	M.	30 hours	Labourer	Prematurity	No	Yes.
9	Rathmines	303	26 October "	F.	9½ years	Gardener	Phthisis, 3 months	Yes	Yes.
10	Ditto	308	28 October "	F.	12 years	Labourer	Convulsions	No	Yes.
11	Kingstown	157	30 October "	F.	6 years	Labourer	Hydrocephalus	Yes	Yes.
12	2 North	9	2 November "	M.	14 months	Cooper	Convulsions	Yes	Yes.
13	Ditto	12	6 November "	F.	1¾ years	Labourer	Renal Dropsy, 1 week	Yes	Yes.
14	3 North	482	3 November "	M.	4 years	Labourer	Fever	Yes	Yes.
15	Ditto	483	4 November "	F.	11 years	Labourer	Fever	Yes	Yes.
16	Ditto	489	7 November "	M.	7 months	Bricklayer	Bronchitis	Yes	Yes.
17	Ditto	490	8 November "	M.	15 months	Labourer	Marasmus	Yes	Yes.
18	1 South	304	1 November "	M.	14 months	Labourer	Capillary Bronchitis	No	Yes.
19	Ditto	306	31 October "	F.	2 years	shoemaker	Scald, falling into pot of water; Inquest.	No	Yes.
20	Ditto	319	6 November "	M.	15 months	Carman	Enteric Fever	No	Yes.
21	2 South	413	5 November "	F.	1 year	Labourer	Bronchitis, 6 days	Yes	Yes.
22	Ditto	416	5 November "	M.	4 months	Van-man	Bronchitis	No	Yes.
23	1 South	321	7 November "	M.	4 months	—	Convulsions	—	Yes.
24	4 South	261	4 November "	F.	6 years	Labourer	Tubercular, 13 days	Yes	Yes.
25	Ditto	268	6 November "	M.	1 year	Labourer	Marasmus	Yes	Yes.
26	Ditto	269	7 November "	F.	1 year	Labourer	Pneumonia, 7 days	Yes	Yes.
27	Ditto	270	7 November "	M.	10¾ years	Labourer	Meningitis	Yes	Yes.
28	Rathmines	325	29 October "	M.	14 months	Car-owner	Acute Hydrocephalus, 14 days.	Yes	Yes.
29	1 North	287	10 November "	M.	1 year	Clerk	Marasmus, 1 month	Yes	Yes.
30	Ditto	291	12 November "	M.	1 year	Plumber	Congestion of Lung, 4 days.	Yes	Yes.
31	1 South	331	9 November "	F.	10 years	Labourer	Not given	Yes	Yes.
32	2 South	419	8 November "	F.	6 months	Labourer	Bronchitis, 7 days	Yes	Yes.
33	Ditto	420	10 November "	F.	8 months	Blacksmith	Bronchitis, 5 weeks	Yes	Yes.
34	Ditto	421	13 November "	M.	11 months	Labourer	Bronchitis, 5 days	Yes	Yes.
35	3 South	336	9 November "	M.	1¾ years	Labourer	Infantile Atrophy, 1 month	Yes	Yes.
36	Ditto	344	14 November "	M.	3 weeks	Labourer	Marasmus, 3 weeks	Yes	Yes
37	4 South	275	9 November "	F.	2 months	Baker	Bronchitis, 14 days	Yes	Yes.
38	Donnybrook	492	7 November "	M.	4 months	Club Steward	Enteritis, 4 days	Yes	Yes.
39	Ditto	497	4 November "	F.	3 hours	Groom	Premature birth	No	Yes.
40	Kingstown	163	8 November "	F.	8 months	Beer Dealer	Marasmus, 8 days	Yes	Yes.
41	1 North East	43	19 November "	F.	8 months	Licensed car-driver	Pneumonia, 14 days	Yes	Yes.
42	1 North West	325	22 November "	F.	11 years	Dead	Meningitis, 3 months	Yes	Yes
43	Ditto	326	22 November "	F.	4¼ years	Labourer	Gastric Fever	Yes	Yes.
44	Ditto	327	22 November "	F.	18 months	Labourer	Convulsions, 2 hours	Yes	Yes.
45	1 South	362	21 November "	F.	15 months	Labourer	Bronchitis, 3 days	Yes	Yes.
46	Ditto	366	21 November "	F.	3 years	Railway porter	Bronchitis, 1 month	Yes	Yes.
47	2 South	422	17 November "	F.	13 days	Shoemaker	Debility from birth	No	Yes.
48	Ditto	426	16 November "	F.	1 year	Labourer	Phthisis, 3 months	Yes	Yes.
49	Ditto	427	20 November "	M.	12 years	Labourer	Phthisis, 2 months	Yes	Yes.
50	Ditto	429	21 November "	F.	2 years	Harness-maker	Bronchitis, 1 month	Yes	Yes.
51	Ditto	430	21 November "	M.	11 months	Shoemaker	Bronchitis, 14 days	Yes	Yes.
52	3 South	360	21 November "	M.	1¼ years	Labourer	Bronchitis, 1 month	Yes	Yes.
53	Rathmines	341	16 November "	F.	5½ years	Labourer	Phthisis Pertussis	Yes	Yes.
54	Ditto	344	15 November "	F.	3 months	Labourer	Convulsions	Yes	Yes.
55	Ditto	345	18 November "	M.	9 years	Blacksmith	Tuberculosis	Yes	Yes.
56	Donnybrook	5	11 November "	F.	1 hour	Dentist	Premature Birth	Yes	Yes.

Appendix A.

PAPERS handed in by Dr. *T. W. Grimshaw*, 14 April 1891.

FORM B.

PARTICULARS ascertained by Inquiry into the respective Cases on annexed Form A., during Weeks ending 10th, 17th, and 24th November 1890, and 1st December 1890.

Number of Case on Form A.	Name of Insurance Company.	Amount Insured.	How long Insured.	Character of Parents.	Circumstances of Parents.	Reason, if any, for suspecting Neglect or Illtreatment.	Opinion, of Medical Attendant, if any, in Col. 7.	From whom was Inquiry made.	Is inquiry necessary?	Is inquiry complete?
	2.	3. £. s. d.	4.	5.	6.	7.	8.	9.	10.	11.
1	Prudential	3 10 –	2 years	Unknown	Fair	None	—	Child's mother	—	Yes.
2	—	—	—	Good	Good	None	—	From personal observation	No	—
3	Prudential	2 – –	8 months	Unknown	Fair	None	—	Child's mother	—	Yes.
4	Refuge	1 10 –	3 months	Unknown	Poor	None	—	A woman in same house	—	Yes.
5	Gas Assurance	2 – –	22 hours	Unknown	Fair	None	—	Child's mother	—	Yes.
6	Protective	5 – –	4 years	Unknown	Father 3 years in America. Mother, a stamper. Poor.	None	—	Child's grandmother	—	Yes.
7	Prudential	3 – –	1 year	Unknown	Very poor	None	—	Child's mother	—	Yes.
8	—	—	—	Unknown	Mother ailing from confinement.	None	—	Her neighbour	No	—
9	—	—	—	Unknown	Left. Whereabouts unknown.	None	—	The neighbours	—	Yes.
10	Not insured	Buried at expense of the Union			—	—	—	—	—	Yes.
11	Prudential	5 – –	6 years	Good	Fair	None	—	Child's mother	—	Yes.
12	Refuge	1 10 –	14 months	Good	Fair	None	—	Child's sister	—	Yes.
13	Prudential	Not in benefit.	6 weeks	Unknown	Fair	None	—	Child's mother	—	Yes.
14	Liverpool Victoria.	5 – –	4 years	Unknown	Poor	None	—	Child's aunt	—	Yes.
15	Protective	5 – –	6 years	Good	Poor	None	—	Child's sister	—	Yes.
16	Prudential and British Legal.	2 10 – 2 10 –	7 months	Good	Fair	None	—	Child's mother	—	Yes.
17	Prudential and Labourers' Society.	3 – – 1 10 –	15 months	Unknown	Very poor	None	—	Child's grandmother	—	Yes.
18	Not insured	—	—	—	—	—	—	—	No	Yes.
19	St. Anthony's	1 – –	2 years	Good	Fair	No blame to anyone. Verdict accidental.	—	Child's mother and police	—	Yes.
20	Prudential	3 – –	13 months	Good	Good	None	—	Child's mother	—	Yes.
21	Prudential	2 10 –	11 months	Unknown	Good	None	—	Child's mother	—	Yes.
22	Ireland's Own	1 10 –	4 months	Unknown	Fair	None	—	Child's mother	—	Yes.
23	Bedford Burial	Not in benefit.	3 months	Unknown	Poor	None	—	Child's aunt	—	Yes.
24	Prudential	Not in benefit.	1 month	Unknown	Poor	None	—	Child's mother	—	Yes.
25	St. Bridget's	1 10 –	1 year	Unknown	Very poor	None	—	Child's grandmother	—	Yes.
26	Ireland's Own and St. Dympars.	2 10 – 1 10 –	1 year	Unknown	Fair	None	—	Child's mother	—	Yes.
27	Royal Liver	10 – –	8 months	Unknown	Poor	None	—	Child's father and sister of charity at hospital.	—	Yes.
28	St. Peter and Mary's.	1 – –	12 months	Good	Good	None	—	Child's mother	—	Yes.
29	Prudential	2 10 –	3 months	Good	Mother dead. Father well to do.	None	—	Child's nurse	—	Yes.
30	Ireland's Own	2 10 –	11 months	Good	Good	None	—	Child's mother	—	Yes.
31	—	—	—	—	Moved. Whereabouts unknown.	None	—	Neighbours	No	Yes.
32	British Legal	– 15 –	3 months	Unknown	Very poor	None	—	Child's mother	—	Yes.
33	Prudential	2 10 –	8 months	Good	Good	None	—	Child's mother	—	Yes.
34	Refuge	2 10 –	10 months	Unknown	Poor	None	—	Child's mother	—	Yes.
35	Prudential	Not in benefit.	1 month	Unknown	Poor	None	—	Child's mother	—	Yes.
36	St. Catherine's	2 – –	3 weeks	Unknown	Poor	None	—	Child's mother	—	Yes.
37	Bakers' Society	2 10	2 months	Unknown	Fair	None	—	Child's father	—	Yes.
38	—	—	not insured	Good	Good	None	—	Child's father	No	Yes.
39	Friendly Brothers	Not in benefit.	3 hours	Good	Good	None	—	Child's mother	—	Yes.
40	—	—	—	Good	Good	None	—	I know the parents	No	Yes.
41	Prudential	1 10 –	5 months	Good	Poor	None	—	Child's mother	—	Yes.
42	Prudential	10 – –	11 years	Good	Father dead; mother in service; Children in care of their aunt. Poor.	None	—	Child's aunt	—	Yes.
43	Prudential	4 – –	3 years	Unknown	Poor	None	—	Child's mother	—	Yes.
44	Prudential	3 – –	1 year	Unknown	This child and the one in case 43 were sisters.	None	—	Child's mother	—	Yes.
45	Liverpool Victoria.	1 – –	11 months	Unknown	Poor	None	—	Child's mother	—	Yes.
46	Prudential and St. Catherine's.	2 – – 2 – –	3 months 5 months	Unknown	Fair	None	—	Child's father	—	Yes.
47	St. Catherine's	1 – –	7 months	Unknown	Fair	None	—	Child's mother	—	Yes.
48	Ireland's Own	1 5 –	3 months	Unknown	Very poor	None	—	Child's grandmother	—	Yes.
49	Ellis's Burial	1 10 –	3 months	Good	Fair	None	—	A woman in same house	—	Yes.
50	St. Catherine's	1 – –	8 months	Unknown	Poor	None	—	Child's mother	—	Yes.
51	Liverpool Victoria.	– 10 –	3 months	Unknown	Fair	None	—	Child's father	—	Yes.
52	British Legal	– 15 –	18 months	Unknown	Poor	None	—	Child's father	—	Yes.
53	Prudential	8 – –	3 years	Unknown	Fair	None	—	Child's sister	—	Yes.
54	St. Peter's	– 15 –	3 months	Unknown	Fair	None	—	Child's mother	—	Yes.
55	Prudential	8 – –	1½ years	Good	Fair	None	—	Child's mother	—	Yes.
56	—	—	Not insured	Good	Good	None	—	Child's mother	—	Yes.

(signed) *James Currey*, Serjeant.

APPENDIX B.

PAPERS handed in by Dr. *T. W. Grimshaw*, 14 April 1891.

DEATHS of Children under Ten Years of Age registered in the Dublin Registration District, during the Thirteen Weeks from 4th January to 4th April 1891, showing the Social Position of the Parents; the Ages of the Children; the Cause of Death; the Number of Cases in which the Cause of Death was Certified; and the Number in which there was "No Medical Attendant," distinguishing those Cases in which Certificates for Insurance Purposes were issued.

Social Position and Ages.	Cause of Death Certified.																"No Medical Attendant."													
	Number of Deaths from								Number of Certificates issued.								Number of Deaths from								Number of Certificates issued.							
	Principal Zymotic * Diseases.	Phthisis.	Convulsions.	Debility.	Diseases of Respiratory System.	Violence.	Other Causes.	All Causes.	Principal Zymotic * Diseases.	Phthisis.	Convulsions.	Debility.	Diseases of Respiratory System.	Violence.	Other Causes.	All Causes.	Principal Zymotic * Diseases.	Phthisis.	Convulsions.	Debility.	Diseases of Respiratory System.	Violence.	Other Causes.	All Causes.	Principal Zymotic * Diseases.	Phthisis.	Convulsions.	Debility.	Diseases of Respiratory System.	Violence.	Other Causes.	All Causes.
I. Professional and Independent Class:																														
Under 1 year	1	–	2	1	1	–	1	6	–	–	–	–	–	–	1	1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
1 and under 5	1	1	–	–	–	–	–	2	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
5 and under 10	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total	2	1	2	1	1	–	1	8	–	–	–	–	–	–	1	1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
II. Middle Class:																														
Under 1 year	5	–	7	2	17	1	17	49	–	–	–	–	3	–	1	4	2	–	8	2	1	–	4	17	1	–	1	–	1	–	1	4
1 and under 5	9	–	3	–	15	–	17	44	5	–	1	–	4	–	7	17	–	–	1	–	–	–	2	3	–	–	–	–	–	–	1	1
5 and under 10	1	–	–	–	5	–	5	11	1	–	–	–	1	–	–	2	1	–	–	–	–	–	1	2	–	–	–	–	–	–	–	–
Total	15	–	10	2	37	1	39	104	6	–	1	–	8	–	8	23	3	–	9	2	1	–	7	22	1	–	1	–	1	–	2	5
III. Artizan Class and Petty Shopkeepers:																														
Under 1 year	2	2	18	6	27	1	22	78	1	1	6	1	13	–	9	31	1	–	20	8	2	1	9	41	–	–	2	–	1	–	1	4
1 and under 5	6	2	6	–	22	2	32	70	3	1	4	–	13	1	22	44	1	–	1	–	1	–	1	4	–	–	–	–	1	–	–	1
5 and under 10	3	–	1	–	3	–	6	13	2	–	–	–	1	–	4	7	–	–	1	–	–	–	2	3	–	–	–	–	–	–	–	–
Total	11	4	25	6	52	3	60	161	6	2	10	1	27	1	35	82	2	–	22	8	3	1	12	48	–	–	2	–	2	–	1	5
IV. General Service Class:																														
Under 1 year	5	–	26	15	41	6	42	135	1	–	4	3	19	2	14	43	1	–	49	15	3	–	8	76	–	–	7	–	–	–	–	7
1 and under 5	12	2	10	–	47	3	48	122	6	1	3	–	19	1	24	54	–	–	3	1	2	1	4	11	–	–	1	–	1	–	1	3
5 and under 10	3	3	–	–	3	1	18	28	2	1	–	–	1	–	12	16	–	–	1	–	–	–	–	1	–	–	1	–	–	–	–	1
Total	20	5	36	15	91	10	108	285	9	2	7	3	39	3	50	113	1	–	53	16	5	1	12	88	–	–	9	–	1	–	1	11
V. Inmates of Workhouses:																														
Under 1 year	1	–	21	8	5	–	6	41	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
1 and under 5	–	–	5	5	5	–	6	21	–	–	–	–	1	–	–	1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
5 and under 10	1	–	–	–	–	–	5	6	–	–	–	–	–	–	1	1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total	2	–	26	13	10	–	17	68	–	–	–	–	1	–	1	2	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
All Persons:																														
Under 1 year	14	2	74	32	91	8	88	309	2	1	10	4	35	2	25	79	4	–	77	25	6	1	21	134	1	–	10	–	2	–	2	15
1 and under 5	28	5	24	5	89	5	103	259	14	2	8	–	37	2	53	116	1	–	5	1	3	1	7	18	–	–	1	–	2	–	2	5
5 and under 10	8	3	1	–	11	1	34	58	5	1	–	–	3	–	17	26	1	–	2	–	–	–	3	6	–	–	1	–	–	–	–	1
TOTAL	50	10	99	37	191	14	225	626	21	4	18	4	75	4	95	221	6	–	84	26	9	2	31	158	1	–	12	–	4	–	4	21

* Smallpox, measles, scarlatina, typhus, whooping cough, diphtheria, simple continued and ill-defined fever, enteric fever, diarrhœa and dysentery.

Appendix C.

PAPER handed in by Dr. *T. W. Grimshaw*, 14 April 1891.

Table I.—Deaths from all Causes at all Ages in Thirteen Large Towns of the United Kingdom, during the Ten Years, 1881–90.

TOWNS.	Estimated Population in 1881.	Total Deaths from all Causes. 1881.	1882.	1883.	1884 (53 weeks).	1885.	1886.	1887.	1888.	1889.	1890 (53 weeks).	Average Yearly Number, 1881–90.
London	3,831,719	81,071	82,905	80,578	83,050	80,000	82,276	82,208	78,848	75,683	90,361	81,698
Liverpool	554,073	14,733	14,818	15,074	14,691	13,764	13,919	14,006	12,159	13,046	14,687	14,090
Birmingham	402,314	8,009	8,527	8,824	9,145	8,248	8,628	8,668	7,954	8,485	9,735	8,622
Manchester	341,173	8,664	9,057	9,344	9,071	8,902	9,894	10,786	9,834	10,088	11,789	9,743
Leeds	310,483	6,675	7,321	7,454	8,034	6,621	7,399	7,241	7,209	7,862	8,367	7,418
Sheffield	285,619	5,993	6,281	6,755	6,832	6,305	6,131	6,808	6,586	6,802	8,434	6,693
Bristol	207,522	4,054	4,021	3,795	4,024	4,282	4,253	4,546	3,816	4,022	4,536	4,135
Bradford	184,035	3,612	4,142	3,743	4,286	3,791	4,188	4,460	3,924	4,491	4,984	4,162
Dublin	347,013	9,180	9,461	9,905	9,538	9,734	9,236	10,513	8,661	8,829	9,178	9,424
Belfast	208,822	4,911	5,365	5,600	5,073	6,127	5,256	5,807	5,742	5,921	6,861	5,666
Cork	80,124	2,101	1,935	1,993	2,139	2,098	1,769	1,792	1,934	1,786	1,778	1,933
Edinburgh	229,219	4,613	4,565	4,544	4,865	4,554	4,889	5,097	4,736	4,775	5,524	4,816
Glasgow	511,914	12,916	13,046	14,577	13,942	13,492	13,104	12,128	11,675	13,064	13,626	13,157

Table II.—Deaths (from all Causes) per 1,000 of Population in Thirteen Large Towns of the United Kingdom, during the Ten Years, 1881–90.

TOWNS.	Estimated Population in 1890.	Deaths from all Causes per 1,000 of Population. 1881.	1882.	1883.	1884.	1885.	1886.	1887.	1888.	1889.	1890.	Average Yearly Rate.
London	4,421,661	21·2	21·4	20·4	20·3	19·8	19·9	19·6	18·5	17·4	20·3	19·9
Liverpool	613,463	26·7	26·5	26·7	25·2	23·8	23·8	23·7	20·3	21·6	23·6	24·2
Birmingham	461,865	20·0	20·9	21·3	21·4	19·3	19 9	19·7	17·8	18·7	20·7	20·0
Manchester	379,437	25·5	26·7	27·6	26·4	26·5	26·3	28·7	26·1	26·7	30·6	27·1
Leeds	363,799	21·6	23·2	23·3	24·2	19·9	21·9	21·1	20·6	22·1	22·6	22·1
Sheffield	332,837	21·1	21·7	22·9	22·4	20·7	19·8	21·6	20·5	20·9	24·9	21·7
Bristol	232,248	19·6	19·2	17·9	18·4	19·7	19·3	20·4	16·9	17·6	19·2	18·8
Bradford	240,515	19·7	21·2	18·3	20·1	17·7	19·2	19·9	17·1	19·2	20·3	19·3
Dublin	353,082	27·0	27·2	28·3	26·7	27·6	26·2	29·8	24·5	25·0	25·5	26·7
Belfast	232,222	23·6	25·8	26·2	23·0	27·9	23·7	25·9	25·3	25·8	28·9	25·6
Cork	80,124	26·8	24·7	24·9	26·2	26·2	22·1	22·4	24·1	22·3	21·8	24·2
Edinburgh	271,135	20·1	19·6	19·2	19·7	18·2	19·2	19·7	18·0	18·0	20·0	19·2
Glasgow	530,208	25·2	25·4	28·2	26·9	25·9	25·1	23·1	22·2	24·8	25·2	25·2

Table III.—Deaths of Infants under One Year old in Thirteen Large Towns of the United Kingdom, during the Ten Years, 1881–90.

TOWNS.	Deaths of Infants under One Year Old. 1881.	1882.	1883.	1884 (53 weeks).	1885.	1886.	1887.	1888.	1889.	1890 (53 weeks).	Average Yearly Number, 1881–90.	Percentage to Total Deaths.
London	19,575	20,122	19,487	21,369	19,594	21,231	21,015	19,196	18,580	21,252	20,142	24·7
Liverpool	3,587	3,641	3,686	3,984	3,391	3,670	3,420	2,981	3,320	3,511	3,519	25·0
Birmingham	2,241	2,481	2,361	2,613	2,265	2,509	2,463	2,110	2,390	2,586	2,402	27·9
Manchester	2,020	2,231	2,146	2,277	2,136	2,501	2,577	2,346	2,346	2,524	2,310	23·7
Leeds	1,900	2,035	1,849	2,125	1,772	2,068	1,973	1,975	2,071	2,126	1,989	26·8
Sheffield	1,682	1,787	1,764	1,936	1,747	1,774	1,839	1,758	1,892	2,124	1,830	27·3
Bristol	891	981	911	987	1,029	1,000	985	815	976	999	957	23·1
Bradford	924	1,108	869	1,123	889	1,051	1,107	962	1,139	1,058	1,023	24·6
Dublin	1,602	1,874	1,794	1,827	1,789	1,715	1,965	1,638	1,769	1,566	1,754	18·6
Belfast	944	1,031	1,084	913	1,215	989	1,223	1,117	1,259	1,337	1,111	19·6
Cork	271	282	236	253	247	225	252	288	253	214	252	13·0
Edinburgh	940	888	880	1,013	885	1,012	1,038	955	972	1,045	963	20·0
Glasgow	2,745	2,959	3,091	3,094	3,100	2,786	2,660	2,517	3,005	2,908	2,887	21·9

Table IV.—Deaths under One Year per 1,000 of Registered Births in Thirteen large Towns of the United Kingdom, during the Ten Years 1881–90.

TOWNS.	Number of Deaths under One Year per 1,000 of Registered Births.										
	1881.	1882.	1883.	1884 (53 weeks).	1885.	1886.	1887.	1888.	1889.	1890 (53 weeks).	Average Annual Rate.
London	148	151	146	155	148	159	158	146	141	163	152
Liverpool	173	178	185	194	174	188	186	168	188	195	183
Birmingham	150	167	160	174	157	175	176	154	170	183	167
Manchester	161	179	177	183	175	183	191	176	176	187	179
Leeds	167	179	166	184	155	181	172	173	177	172	173
Sheffield	155	165	163	172	164	168	177	178	174	195	171
Bristol	125	142	133	143	152	149	149	123	146	151	141
Bradford	153	178	146	181	143	167	178	153	182	169	165
Dublin	158	186	180	178	176	168	200	166	180	163	176
Belfast	136	151	162	126	170	135	163	145	163	162	151
Cork	125	127	109	115	120	110	123	140	125	107	120
Edinburgh	128	122	129	136	120	136	137	127	132	144	131
Glasgow	144	150	155	151	156	140	138	130	155	149	147

Table V.—Births in Thirteen large Towns of the United Kingdom: Eight English, Three Irish, and Two Scotch.

Table of Birth-rates for Ten Years, 1881-90.

CITIES AND TOWNS.	Births per 1,000 of the Population.										
	1881.	1882.	1883.	1884.	1885.	1886.	1887.	1888.	1889.	1890.	Average 1881–90.
London	34·7	34·3	33·9	33·7	32·6	32·3	31·7	30·7	30·3	29·0	32·3
Liverpool	37·6	36·7	35·2	35·2	33·7	33·5	31·2	29·7	29·2	28·7	33·1
Birmingham	37·2	36·6	35·6	35·2	33·8	33·0	31·8	30·8	31·0	30·0	33·5
Manchester	36·9	36·7	36·0	36·2	36·4	36·3	35·9	35·3	35·3	34·9	36·0
Leeds	36·8	36·1	34·7	34·8	34·4	33·9	33·3	32·6	32·9	33·3	34·3
Sheffield	38·0	37·4	36·7	36·9	35·0	34·1	32·9	30·8	33·3	32·1	34·7
Bristol	34·5	33·1	32·3	31·5	31·2	30·5	29·7	29·3	29·3	28·0	30·9
Bradford	33·0	31·8	29·2	29·2	29·1	28·8	27·7	27·4	26·8	25·5	28·9
Dublin	29·1	28·9	28·5	28·7	28·7	28·9	27·9	28·0	27·9	27·3	28·4
Belfast	33·4	32·8	31·3	32·8	32·7	33·1	33·5	34·0	33·6	35·5	33·3
Cork	27·7	28·2	27·0	26·9	25·6	25·4	25·5	25·7	25·2	25·0	26·2
Edinburgh	32·0	31·4	29·0	30·3	29·4	29·2	29·2	28·5	27·8	26·3	29·3
Glasgow	37·3	3 ·4	38·6	39·7	38·2	38·1	36·9	36·7	36·9	36·2	37·7

Table VI.—Infant Mortality, &c., in Thirteen large Towns of the United Kingdom.

Average of Ten Years, 1881–90.

TOWNS Arranged according to Infant Mortality in proportion to Births— Lowest to Highest.	Position in Scale of 1 to 13, the Lowest Rate in each Case being represented by 1.			
	Deaths under 1 Year to 1,000 Births.	Births per 1,000 of Population.	Total Deaths per 1,000 of Population.	Percentage of Deaths of Infants under 1 Year old to Total Deaths.
Cork	1	1	8	1
Edinburgh	2	4	2	4
Bristol	3	5	1	6
Glasgow	4	13	10	5
Belfast	5	8	11	3
London	6	6	4	9
Bradford	7	3	3	8
Birmingham	8	9	5	13
Sheffield	9	11	6	12
Leeds	10	10	7	11
Dublin	11	2	12	2
Manchester	12	12	13	7
Liverpool	13	7	9	10

In an address delivered at the Dublin Sanitary Association, in the year 1888, I compared, for the year 1886, Dublin with 13 other towns of the United Kingdom having populations of over 200,000; similar results are shown in the following Table (Table VII.) for the year 1889.

Table VII.—TABLE showing for each Town in the United Kingdom with over 200,000 Inhabitants, the Rates per 1,000 of the Population represented by the Deaths Registered during the Year 1889, and by the Number of Cases of "Drunkenness" and "Drunkenness and Disorderly Conduct" at Police Courts in the same Year.

Towns arranged according to Death-rates, from Lowest to Highest.	Estimated Population.	Deaths.		Cases of Drunkenness.		Position as regards Drink-rate, Lowest to Highest.
		Number.	Rate per 1,000 of Population.	Number.	Rate per 1,000 of Population.	
1. Nottingham	237,812	4,027	17·0	1,082	4·5	5
2. London	4,351,738	75,683	17·4	27,250*	5·2	6
3. Bristol	229,361	4,022	17·6	933	4·1	4
4. Edinburgh	266,900	4,775	18·0	2,190	8·0†	8
5. Birmingham	454,835	8,485	18·7	2,761	6·1	7
6. Bradford	235,056	4,491	19·2	451	1·9	1
7. Salford	234,283	4,782	20·5	2,751	11·7	9
8. Sheffield	327,227	6,802	20·9	1,212	3·7	3
9. Liverpool	606,562	13,046	21·6	16,042	26·4	11
10. Leeds	357,449	7,862	22·1	1,266	3·5	2
11. Glasgow	528,144	13,064	24·8	17,106	30·7†	12
12. Dublin	353,082	8,829	25·0	15,049	42·3‡	14
13. Belfast	229,622	5,921	25·8	7,071	30·8	13
14. Manchester	378,800	10,088	26·7	6,125	16·2	10
TOTAL of 14 Towns	8,790,871	171,877	19·6	101,289	10·4	—

* Metropolitan Police District, Dockyards Police, and City of London. Population taken as 5,286,680.
† Calculated on population as given in Judicial Statistics of Scotland.
‡ Metropolitan Police District.

Table VIII.—Dublin.—TABLE showing by Ages the Number and Proportion of Certified and Uncertified Deaths during the First Quarter of the Year 1891.

AGES.	Total Deaths.	Uncertified.	Proportion per Cent. Uncertified.
All Ages	2,654	275	10·4
Under 1 month	162	76	46·9
1 month, and under 1 year	281	58	20·6
Total under 1 year	443	134	30·2
1 year, and under 5 years	277	18	6·5
Total under 5 years	720	152	21·1
5 years, and under 20	175	6	3·4
20 „ „ 40	387	13	3·4
40 „ „ 60	554	27	4·9
60 „ „ 80	673	51	7·6
80 and upwards	145	26	17·9

Appendix D.

PAPER handed in by Mr. *Ludlow*, 23 April 1891.

Extract from the Reports of the Chief Registrar of Friendly Societies for 1875.

Table of the amount of funeral expenses as authenticated by statutory declaration in cases of intestate depositors in Post Office Savings Banks which were referred to him by the Post Office in his capacity of Counsel to the Post Office Savings Bank,* from which it will appear that whilst the law allows 10 *l.* to be insured for the funeral expenses of a child between 5 and 10, in only five cases which have come before him have the funeral expenses of a person above that age exceeded that sum; that the mean cost of 28 such funerals in England, excluding parish funerals, has been 6 *l.* 5 *s.* 11 *d.*; that the mean cost of two such funerals in Scotland, excluding a parish funeral, has been 5 *l.* 19 *s.* 4 *d.*; and that of four such funerals in Ireland, 4 *l.* 19 *s.* 8 *d.*, or less than the sum allowed by law for the expenses of a child under five; giving for mean cost throughout the United Kingdom, 6 *l.* 2 *s.* 5 *d.* Whilst on this subject the Chief Registrar may also mention the fact that, although in the references on intestacy above-mentioned certificates of death under the Friendly Societies Acts have frequently passed through his hands, these have been invariably for adults only, although cases of deposits in the names of infants are numerous :—

PARISH FUNERALS.

		£. s. d.	
ENGLAND.			
Prees, Salop	Man	1 17 –	Parish funeral, but not as pauper.
Neston, Cheshire	Man	3 14 1	
		5 11 1	
SCOTLAND.			
Edinburgh	Man	2 12 6	

PRIVATE FUNERALS.

		£. s. d.	
ENGLAND.			
Woking	Youth of 20	2 13 6	
Huddersfield	Man	3 3 –	Two mourning coaches.
Manningtree, Essex	Boy of 13 (tradesman's son)	3 4 8½	
Whitechapel	Boy of 15	3 6 –	
Exeter	Woman	3 9 –	
Bedford	Man	3 10 –	
South Bank, Yorkshire	Man	3 10 –	
Bristol	Woman	4 – –	Hearse and coach.
Bath	Woman	4 2 6	
Cardiff	Woman	4 15 –	
Pimlico	Woman	4 16 –	Hearse and coach.
Kettering	Man	5 1 7	
Clerkenwell	Woman	5 8 6	Coach and pair.
Hackney	Woman	5 10 –	
Brentwood, Essex	Woman	5 12 –	
Reading	Woman	6 – –	Hearse and coach.
Hastings	Woman	6 1 3	
Southwark	Woman	6 2 6	
Southwark	Woman	6 10 –	Hearse and coach.
Maidenhead	Woman	7 16 2	
Tunbridge Wells	Woman	8 2 6	Hearse and coach.
Streatham	Woman	8 3 6	
Halifax	Woman (farmer's widow)	8 18 –	Two mourning coaches, cab.
Bedford	Girl of 14	9 5 6	Hearse and car.
Kirkdale, Lancashire	Man	10 8 6	Hearse and coach.
Leeds	Woman	10 13 6	
Stoke Newington	Woman	12 5 –	Hearse and pair, mourning coach.
York	Man	13 17 6	Hearse, three coaches, and cab.
		176 5 8½	
SCOTLAND.			
Coatbridge	Man	5 10 –	
Montrose	Man	6 8 8	
		11 18 8	
IRELAND.			
Ennis	Woman	2 6 6	
Belfast	Woman	2 7 7	
Lisburn	Man	7 4 7	2 *l.* 13 *s.*, refreshments.
Galway	Woman	8 – –	
		19 18 8	

In one case, indeed, the sum paid appears to have amounted to 21 *l.* 17 *s.* 6 *d.*, but the depositress, a hospital nurse, having no next of kin, had expressly destined her deposit for the purpose. It is not, therefore, returned in the above list, but the addition of this sum to the total would leave the mean cost still largely below the statutory maximum for a child under 10.

* The Registrar of Friendly Societies has ceased since 1876 to exercise this function.

Brought from the Lords, 30th July 1891.

REPORT

FROM THE

SELECT COMMITTEE OF THE HOUSE OF LORDS

ON

CHILDREN'S LIFE INSURANCE BILL [H.L.];

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

MINUTES OF EVIDENCE,

AND APPENDIX.

Ordered, by The House of Commons, *to be Printed,*
1 *August* 1891.

[*Price* 4½ *d.*]

393. *Under* 4 *oz.*

H—5. 8. 91.

REPORT

FROM THE

SELECT COMMITTEE

ON

COLONISATION;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

MINUTES OF EVIDENCE,

APPENDIX, AND INDEX.

Ordered, by The House of Commons, *to be Printed*,
17 *March* 1891.

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152.

COLONISATION.

Ordered,—[*Monday, 26th January* 1891]:—THAT a Select Committee be appointed to inquire into various schemes which have been proposed to Her Majesty's Government to facilitate emigration from the congested districts of the United Kingdom to the British Colonies or elsewhere; to examine into the results of any schemes which have received practical trial in recent years, and to report generally whether in their opinion it is desirable that further facilities should be given to promote emigration; and, if so, upon the means and the conditions under which such emigration can best be carried out, and the quarters to which it can most advantageously be directed.

THAT the Committee do consist of Twenty-one Members.

Committee nominated of,—

Sir George Baden-Powell.	Mr. Mahony.
Mr. Gerald Balfour.	Colonel Malcolm.
Mr. Campbell-Bannerman.	Mr. Osborne Morgan.
Dr. Clark.	Mr. Rankin.
Sir John Colomb.	Mr. Rathbone.
Mr. Monro Ferguson.	Mr. William Redmond.
Sir James Fergusson.	Mr. Ritchie.
Mr. Hobhouse.	Mr. Schwann.
Mr. Loder.	Mr. Seton-Karr.
Mr. James Maclean.	Mr. Wodehouse.
Mr. William M'Arthur.	

THAT the Committee have power to send for Persons, Papers, and Records.

THAT Five be the Quorum of the Committee.

Ordered,—[*Tuesday, 3rd February* 1891]:—THAT the Minutes of Evidence taken before the Select Committees on Colonisation in Sessions 1889 and 1890, the Report on the Condition of the Highlands in 1851, the Report of the Select Committee on Game Laws in Session 1873, the Report of the Royal Commission on Crofters and Cottars in 1883, the Report on the Cottars in the Lews in 1888, and the Report of the Western Highlands and Islands Commission in 1890, be referred to the Select Committee on Colonisation.

Ordered,—[*Friday, 6th February* 1891]:—THAT a Message be sent to the Lords, to request that their Lordships will be pleased to give leave to the Viscount Gordon to attend to be examined as a Witness before the Select Committee on Colonisation.

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REPORT.

THE SELECT COMMITTEE appointed to inquire into various SCHEMES which have been proposed to Her Majesty's Government to facilitate EMIGRATION from the Congested Districts of the UNITED KINGDOM to the BRITISH COLONIES or elsewhere; to examine into the Results of any SCHEMES which have received practical Trial in recent Years, and to report generally whether in their opinion it is desirable that further Facilities should be given to promote EMIGRATION; and, if so, upon the Means and the Conditions under which such EMIGRATION can best be carried out, and the Quarters to which it can most advantageously be directed;——HAVE agreed to the following REPORT:—

YOUR Committee have considered the evidence taken by the Select Committees appointed with reference to the same subject in 1889 and 1890; and before reporting the conclusions to which they have come, deem it expedient to advert to the circumstances in which that reference was made.

The relief of the distress in the Western Highlands and Hebrides by means of a system of colonisation was recommended by the Royal Commission of 1883, of which Lord Napier and Ettrick was Chairman, and various schemes for this purpose were from time to time submitted to Her Majesty's Government, to which more particular reference will be presently made.

It was the great distress which prevailed in those districts in 1886 and 1887 that induced Her Majesty's Government to open negotiations with the Government of Canada, and afterwards with several land companies in British North America. These negotiations, as will be seen, proved abortive. The urgent representations made to him induced the Secretary for Scotland to appoint a committee of inquiry, in consequence of whose Report, a limited and experimental scheme of crofter and cotter colonisation was undertaken in the spring of 1888. The working and results of that scheme have been the subject of much evidence taken by your Committee.

Lews, C. 5265, 1888. Crofter and Cottar Colonisation Scheme, C. 5403, 1888.

The Committee of 1889 examined nine, that of 1890 forty witnesses, and that of 1891 five. They had remitted to them the Report of the Crofter Commission of 1883, and had before them many official papers bearing on the subject of the inquiry. A summary of the evidence taken by those Committees with reference to recent schemes for emigration or colonisation, which brings out succinctly the various suggestions made by the witnesses in regard to the chief feature of inquiry, will be found in the Appendix. It must be premised here, that the meaning attached in this Report to the term "emigration" is the simple transfer of emigrants from the United Kingdom to a colony or a foreign country; while the term "colonisation" will be used to signify not only the transfer of emigrants from the United Kingdom, but also their direct settlement upon land in the country to which they emigrate.

Upon these diversified schemes it appears to your Committee unnecessary at present to offer much comment; they are largely the designs of enterprising and benevolent

benevolent men; but the deduction from their examination is inevitably that in no case has any scheme been devised for colonisation or emigration to any part of the world which has been proved as yet to be strictly self-supporting. In every instance the promoters rely upon direct subsidies, free grants of land, or both, and only in one instance, to which reference will be made hereafter, has a scheme of colonisation promoted by a private organisation been shown to have resulted in financial success.

Feilding (1890), 1543 *et seq.*

Your Committee deem it incumbent upon them to refer particularly to the Scheme for Crofter Colonisation in Canada, which has been tried, on a small scale, in 1888 and 1889, both because it was undertaken by the direct action of the Imperial Government, and because the condition of the crofter population and the need of inquiry into the working of this experiment were probably among the reasons for the appointment of your Committee.

The Government of Canada offer sections of their unoccupied lands to agricultural settlers at the rate of 160 acres to a man. The scheme which was based upon this liberal system is thus summarised in the Appendix: "The Government agreed to make an advance of 10,000 *l.* on condition that 2,000 *l.* should be provided by private subscriptions. The fund was in the first year administered by the Scotch Office; but in the year 1889, by a specially appointed Colonisation Board, consisting of four Commissioners, representing (1) the Imperial Government, (2) the Canadian Government, (3) the private subscribers, and (4) three important land companies whose gratuitous co-operation and assistance were promised, subject only to reimbursement of actual authorised outlay. The advance was not to exceed 120 *l.* per family, the repayment of which, with interest, was to be made by eight annual instalments of 20 *l.* 17 *s.* 8 *d.*, the first of such to be paid in the fifth year, and to be secured to the Board by a mortgage upon the 160 acres of free-grant land selected by the settler, and a chattel mortgage on his goods.

Appendix No. 1 (1890), pp. 4-5.

"The sanction of the Government to this scheme was given rather late in the season, and it was not till the 17th May 1888 that the first batch of 18 families sailed, which was about a month too late, and they were followed by another of 12 families on the 2nd June. The 30 families consisted of 193 souls. It appears that the average amount expended upon each family before their arrival at their destination was 54 *l.*, leaving only 66 *l.* for their use after their arrival, which was much too small a sum, with the result that there was a certain amount of dissatisfaction and distress among the emigrants during the following winter, and it was necessary to advance them further sums which, in some cases, were found by dividing a family into two, and advancing the whole or part of another sum of 120 *l.* to a grown-up son, who would take up another 160 acres.

Cochran-Patrick, 57. (1889)

Colmer, 714. (1889).

"In 1889 the arrangements were begun in good time, and 49 families sailed on the 3rd April, and were located about 200 miles to the north-west of the first settlers. The emigrants were told that no advances would be made them on this side of the water. They had to provide for their own clothing and outfit from the sale of their stock and possessions, and in result the average expenditure per family before the arrival at their destination was 35 *l.*, as against 54 *l.* in 1888, leaving a balance of 85 *l.* to be expended in Canada."

McNeill, 623. (1889).
Colmer, 729-731. (1889).

It will be seen on reference to Papers presented to Parliament in 1886, that, owing to the severe depression of trade then prevailing, and the consequent insufficiency of employment at home for artisans and labourers, various projects of State-aided emigration and colonisation had been put before Her Majesty's Government, both by emigration societies and by individual gentlemen who had given attention to such subjects. The correspondence that ensued on these proposals between different public offices at home, and the representatives of Colonial Governments, will be found in the Papers above mentioned; and (as they show) although Her Majesty's Government were then unwilling to give State aid to emigration or colonisation, they decided to create a Department in connection with the Colonial Office for the collection and dissemination of trustworthy information respecting the prospects of emigrants to the British colonies; and, accordingly, an Emigrants' Information Office (to which further reference will be made in this Report) was established in 1886. Early in the following year 32 Members of the House of Lords, and 135 Members of the House of Commons, formed themselves into a Committee to promote State-directed colonisation; and information respecting the proceedings of that Colonisation Committee is supplied by Papers handed in by one of

Colonies—Miscellaneous, c. 4751, 1886.

of its honorary secretaries, Mr. Seton-Karr, who is a member of your Committee. Those Papers contain a table of six colonisation schemes which had been examined and considered by the Colonisation Committee; a summary of the replies to questions addressed by the Committee to the representatives of Canada and the Australian Colonies at the Colonial Conference held in 1887; and a memorandum setting forth the scheme of colonisation which the Committee recommended, with an outline of the principles on which it was based. This memorandum, as well as a scheme of colonisation prepared by Mr. Kimber, M.P., were submitted by the Secretary of State for the Colonies to various Colonial Governments in 1887 and 1888; and the replies thereto have been presented to Parliament.

In 1888 questions were addressed to Her Majesty's Government as to the appointment of a Select Committee to inquire into the subject; and on the 22nd November the First Lord of the Treasury moved for the appointment of a Select Committee to inquire into the various schemes which had been proposed. The motion was opposed on the ground that it was limited to Crofter Emigration and to British Colonies, and it was considered impracticable at that period of the Session to undertake a more extensive inquiry. It was accordingly delayed till the following Session, when the present Order of Reference was made, and a Select Committee appointed. 12 April 1889.

Your Committee apprehend that the intention of the House of Commons in their wide Order of Reference was to elicit a Report which should form a guide to the future action of Parliament, and of Her Majesty's Government, on this important question. The evidence they have received has not shown that any extensive measure of emigration is at present necessary for the greater part of the United Kingdom. On the contrary, by all the tests of national welfare, the volume of pauperism and crime, the condition of the industrial classes, the ruling rates of wages, the regularity of employment, and the accumulation of savings, it is apparent that hitherto the country generally has been able to maintain its vastly increased population, on the whole, better than other European countries, or than the United Kingdom, was itself able to maintain a much smaller population in the first half of the present century. In so describing the general condition, your Committee do not forget the exceptional features to which it will be their duty to advert; but it is inconceivable that in any state of human society, however prosperous and favoured, there will not be elements of poverty and helplessness presenting problems for solution and suffering for the resources of civilisation to assuage. Owen, 3012–14 (1889.) Giffen (1890), 613–16, 688 *et seq.* Peace, 1891.

Your Committee recognise that a condition of affairs might arise very different to that which they have described as now existing, a condition which might call for special intervention by Parliament in aid of local authorities or otherwise, and that such aid might be given in connection with emigration or colonisation. But in the absence of signs of the approach of such an emergency, they do not feel themselves justified in recommending the adoption of any general scheme for the Kingdom at large. Moreover, your Committee are impressed by the evidence before them that, so long as the bulk of colonial opinion is strongly adverse to emigration directly assisted by the State, it is not an expedient which could be recommended to Parliament. Your Committee would, however, abstain from expressing an opinion against any schemes for State-aided colonisation, in which individual colonies might be disposed to concur; for, inasmuch as New Zealand in 1884 was willing to co-operate in such a scheme, and British Columbia is so now, such an arrangement cannot be regarded as impracticable, and would be mutually advantageous.

Generally speaking, emigration has hitherto been the most economical and effectual means of relieving the surplus population. Indeed, many schemes of colonisation which have failed in successfully settling their proposed colonists at once as landholders, have resulted in the equipment of families, in the first place, as thriving earners of wages, and afterwards as colonists, when they had earned experience as labourers. The successful disposal of emigrants must obviously be regulated by considerations of individual fitness and opportunity.

There do exist statutory powers to local authorities to provide for or assist the emigration of poor persons. Since 1836 various Acts have been passed containing provisions for that purpose. Powers are vested in the Boards of Guardians, regulated now by the Union Chargeability Act of 1865, to expend any amount that they Owen, 2814, &c. (1889). 2831.

they deem necessary for the emigration of poor persons, whether chargeable to the rates or not, with the consent of the Local Government Board. As regards adults these powers have not been largely used, but between 1879 and 1889, 3,337 persons, chiefly children, have been emigrated wholly or partially at the cost of the poor-rate, at an expenditure of 23,390 *l.* Of this number, 2,620 children were sent to Canada. The number so sent has increased in recent years, under very suitable arrangements with the Government of Canada for the care of the children, and also with the
2918. voluntary assistance of benevolent persons. A large field is said to exist for such
2916. emigration, and, considering that the maintenance and education of a child at the
3009. public expense in this country cannot be placed at less than 10 *l.* a year, the expedient appears to be beneficial, alike to the ratepayers and to the children so disposed of. And your Committee would urge the desirability of every facility and assistance being given to further this method of emigration, and consider that the Treasury might with advantage grant pecuniary aid to industrial and other schools to assist in carrying out this object.

2854. Again, the Local Government Act of 1888 conferred upon county councils powers of contributing to emigration or colonisation. Under Section 69 of that Act a county council may, with the consent of the Local Government Board, borrow money for the purpose of making advances to any person, or bodies of persons, corporate or unincorporate, in aid of the emigration or colonisation of inhabitants of the county, with a guarantee for the repayment of such advances from any local authority in the county, or the government of any colony.

With respect to the guarantee, almost the only "local authority" that can be expected to give it is a Poor Law Authority, and the intervention of such an authority in a scheme of emigration or colonisation is not likely to render it more acceptable to the Government either of a colony or a foreign country. There seem also to be great practical difficulties in a county or borough council obtaining a guarantee directly from the Government of a colony. For these reasons your Committee consider that the necessity of obtaining such a guarantee will be a serious obstacle in the way of county councils carrying out this work, and they recommend that the necessity for a guarantee should be abolished.

Even if this course were not adopted, the county council would be at liberty to avail itself of the agency of a public company to provide the machinery of emigration or colonisation, while the local authority might be itself relieved in whole or in part of the burden of its guarantee, whether by the assistance of private persons or of the company employed. Similar powers are conferred upon county councils in Scotland by the Local Government Act (Scotland), 1889.

2862. The local agency for such purposes is in many ways preferable to the direct action of Government, both in the interest of economy and from the advantage of knowledge of the people and of the circumstances of the district, while by such a
2866. method extensive colonisation might be carried out without much burden or risk to the rates.

2857. As yet the powers conferred by the Local Government Acts do not appear to have been taken advantage of. It may be that other matters have hitherto occupied the county councils, or that in the more prosperous circumstances of the last two years the need of such special measures may not have been felt; while probably the small recourse had to the former Acts in this respect has been owing to the indisposition of boards of guardians to burden the rates, to the unsuitability for emigration of the majority of those chargeable to them, and to the absence of inducement to encourage the removal of persons not so chargeable. Should the times change for the worse, these statutory provisions with the suggested amendment may prove valuable and convenient, and they constitute a further reason against any large proposals for State-aided emigration.

The small numbers of persons who have been enabled to emigrate by the statutory powers possessed by the Poor-law authorities in England and Ireland,
Rutledge-Fair, 2144–8 (1889). seem to indicate that a different agency is desirable, and that the method employed should, on the one hand, not be one that has a pauperising effect upon the emigrant, and should on the other be designed rather to save the superfluous population from falling into the ranks of the rate-supported, and to facilitate the transference of their capacity for labour to lands as yet insufficiently peopled.

In

In the notice of the circumstances which have led to the appointment of these Committees of 1889, 1890, and 1891, the special case of the crofter population of some parts of Scotland is prominent.

In Ireland, too, ever since the great famine of 1846–7, emigration and removal to other parts of the kingdom has operated as an inevitable expedient to relieve the over-population. Since 1851, 3,276,103 persons are stated to have emigrated, 67,376 of whom have been assisted to do so under the provisions of Acts of Parliament. Your Committee have had before them ample evidence of the benefits conferred both on those who went and those who remained behind by the carefully organised emigration from the congested districts of Ireland in the years 1882 to 1884; and of the large sums of money now being remitted by such emigrants to help their friends in Ireland. Yet persons well acquainted with the circumstances represent that in addition to all expedients which can and ought to be applied for the improvement of the condition of the people, an extensive area on the south and west coast of Ireland can only be effectually relieved by the gradual removal from the locality of some portion of the population. These districts in both countries have been in recent years styled "congested." But though the population exceeds the capacity of the districts to support it, the numbers to be dealt with do not demand for relief any extravagant appeal to the Exchequer of so wealthy a nation. Even those official witnesses, who are the least favourable to State-aided emigration in general, and even those who deny the occasion for expatriation, make exceptions in regard to these particular spots; although the latter demand that at least in the first place there shall be tried what is called migration, the transfer of some of the population to more favoured portions of the British Islands, or to neighbouring areas, in which they assert that land at present applied to other purposes ought to be made available to receive the surplus of the congested districts.

Robinson (1890).

Burnett, 1811 (1889). Herbert, 1281–3, (1889). Mackenzie, 4938, 5166 (1890).

The consideration of "migration" was not expressly referred to your Committee, but it was so much insisted on by certain witnesses as a preferable expedient, and it is so much bound up with the question of congested areas that some reference to it appears unavoidable.

This remedy confessedly cannot be effected except upon a very limited scale without compulsory powers for the alienation of property or tenure; and it is not pretended that it can be accomplished without financial sacrifice, that is to say, that certain areas of land must be withdrawn by legislative act, and at the cost of the community, from purposes which their owners find more profitable, while considerable expense must also be incurred in the proper equipment of the emigrants for success in their new homes. Although, in the case of Ireland, Parliament has already granted 50,000 *l.* for purposes of migration and settlement, no use has yet been made of this money. In dealing with migration your Committee are generally confronted with this dilemma, that either the soil to which the surplus population is to be removed is too barren to better their condition, or, if its quality is better, then its value may be too high to make the operation financially successful. It is only in new countries that good soil can be found at a cheap price.

Robinson (1890), 5740–44, 5592.

As regards the Crofter districts the evidence taken by Lord Napier's Commission in 1883 makes it to appear very improbable that even by the creation of extraordinary Parliamentary powers, by the application of public funds to compensate existing owners and occupiers, and by the spreading over a larger area of the congested population, the want can be supplied to any considerable extent; and they held that "almost insuperable difficulties would be offered to the settlement "of crofters in the deer forests"; the alternative to the deer forests being accepted to be for the most part sheep-farming, as far as the hills are suited for that pursuit, while the total amount that could be carried on the land would be an insignificant addition to the national food supply.

[C. 3980] (1884).

[C. 3980] (1884). p. 85.

Your Committee are unable to recommend any large scheme of migration, but they do not deem it altogether impracticable that this expedient should be tried if the opportunity be found. This has been occasionally done as by the voluntary act of Lady Scott in North Harris, and, as will be hereafter noticed, it is proposed in a Bill introduced into Parliament by Her Majesty's Government that provision shall be made for it in Ireland.

Murdoch (1890). 4148, &c.

community, whose condition, though not so peculiar, is hardly less miserable and distressing.

It being, then, generally accepted that Parliament may profitably and properly vote money for the purpose of diminishing the population in congested districts, and believing, as do your Committee, that "migration" cannot offer an adequate solution, if it be practicable in any considerable degree, the question arises whether such diminution can best be effected by means of colonisation or emigration. It is clear from the evidence that for private agencies emigration is the cheaper and more profitable remedy. The expenditure is not large per head, the limit of loss in each case is known from the first, and the responsibility for the future of the emigrant lies exclusively with himself. Unfortunately it is a remedy which is hardly open to the State upon a very large scale. Foreign countries, and even our own colonies, would resist the deportation of a large number of people without means, who had been assisted to cross the water by the British Treasury, nearly as much as they do those who have been sent out by the guardians of the poor. The United States legislation is already so stringent that any such enterprise directly carried out by the agency of Government would be impossible. The colonies have not yet taken so definite a step, but their feeling is well known, and they would find means to resist the importation of a multitude who brought with them no means of self-support. But while direct emigration by Government may be found for these reasons to be almost impracticable, the same objections would not apply to Government grants in aid of emigration undertaken by voluntary agencies. In the opinion of your Committee, Government assistance to emigration might in the future be successfully given on these lines, as it has been in the past. It was on these lines that the very successful emigration, conducted by the Committee of Mr. Tuke's Fund in the years 1882 to 1884, was organised.

So far as the direct act of the Government is concerned, colonisation would, on the grounds above indicated, seem to be, in the majority of cases, the remedy which would be most acceptable and meet with most co-operation and least resistance in our colonies or elsewhere. It is, however, more costly; it requires a more elaborate machinery of preparation and supervision; but it has this conclusive advantage, that it assures the state to which the people go that it is receiving inhabitants who will be able to support themselves, and, in due time, contribute their quota to the common welfare.

Moreover, the sum advanced by the State, is not lost, as in the case of simple emigration, for, although the supervision of the State continues for a certain period, its outlay may revert to it in the whole or in best part by the repayments made by the colonists, and secured upon their holdings, their goods and chattels. On the other hand it must be borne in mind that, as already stated, colonisation schemes have, with hardly an exception, not yet proved a financial success; and the current opinion in the colonies, and among those at home who have had experience, is that in only exceptional cases are emigrants fit to become settlers upon the land immediately upon their arrival.

While your Committee regard colonisation as the chief remedy for a congested population such as exists in the districts above mentioned, they cannot but think that encouragement should be given to the young men to emigrate, before by marrying or, if already married, before settling in an overcrowded area, they contribute to and increase the existing congestion. It is stated that in Lewis there are more than 2,000 such persons who have no crofts and who in the present state of matters have no hope of getting any. They are for the most part naval reserve men, and obtain from this source about 10 *l.* a year, while they obtain about an equal sum by fishing in summer. These young men would be desirable emigrants, and could be much more economically emigrated before they have married and become fathers of families on their insufficient means.

Your Committee feel bound to acknowledge specially among the evidence afforded by many experienced witnesses that given by Sir Robert Herbert, the Under Secretary of State for the Colonies, who adds practical colonial experience to his extensive official knowledge, and by the Agents General and other representatives of the Colonies, all of whom spoke from personal observation and with great candour.

Your

Your Committee will now deal particularly with that branch of the Reference, the means by and the conditions under which emigration or colonisation can be best carried out, and the quarters to which it can most advantageously be directed. With regard to the colonies in which any large scheme of colonisation would seem possible or desirable, your Committee would again refer to the Paper in Appendix No. 1. In that summary it is stated that no witness from Natal has given evidence, but the last witness called by your Committee was Mr. Peace, Emigration Agent for Natal, who was absent from this country when the agents of the other colonies were called, and whose employment in that capacity for nine years renders his evidence valuable. Although, in the opinion of your Committee, that evidence discourages the idea that Natal is a colony suitable for the colonisation of the class for whom some special provision requires to be made, it contains suggestions well deserving of consideration, especially with regard to the emigration of children, chargeable to the public, but at an age when they have not received the stamp of pauperism.

Appendix No. 1 (1891).

Peace, 648 *et seq.* (1891).

Considering the results of the recent experiments of the State-aided colonisation of Highland crofters in Canada, and the estimates of many representative witnesses, it appears that whereas it used to be thought that 120 *l.* was enough to transport and to settle a family, even with a free grant of agricultural land, and that this sum could certainly be repaid in the course of a few years, experience and more recent estimates do not justify that assumption. Some of the experiments that have taken place have failed because the limit of money was too narrow, and it seems that from 150 *l.* to 180 *l.* is more near to the cost which it must be assumed that each family will involve. Even a higher estimate is given by some witnesses with reference to certain fields for colonisation.

Grahame, 2015 (1890).
Oliver, 2146 (1890).
Colmer, 5944-5 (1890).
Edwards, 3721-2 (1890).
Broome, 22-3 190 (1890).
Campbell, 378-80 (1890).
Parker, 518-9 (1890).
Samuel, 922 (1890).
White, 2887 (1890).

Again, the certainty of repayment appears to be open to some question. No doubt it will take place in many cases, but in some the colonist will take advantage of more attractive labour markets near at hand, and will abandon his allotment and his obligations at the same time. It is impossible to provide by any system of securities against the recurrence of this accident, and the probability of its occurring should form part of the calculations of those by whom such schemes are entertained. The Treasury has on more than one occasion entered into lengthened negotiations, and, finally, promising enterprises have been frustrated by its insisting upon what it conceived to be complete securities for the advances which it was expected to make, and for the interest to accrue upon them. Experience shows that this end is unattainable, and it would much simplify the question to be considered, and facilitate the efforts of those by whom colonisation is to be undertaken, if this fact were clearly acknowledged. The co-operation of the Treasury will only be advantageous if it be given with fair liberality, with the acceptance of a certain possible, or even positive, loss, and certainly without an ideal insistence upon securities and conditions. If Parliament is not prepared to spend the money necessary for the purpose on these terms, the matter would be more profitably left to private enterprise altogether; and, seeing the great difficulty of assessing the probable amount of deficiencies, your Committee are disposed to think that if a small grant per head, say, for instance, to cover the passage money, without repayment, would enable Colonial Governments or companies authorised by the Imperial or a Colonial Government to undertake the charge and risk of colonisation or emigration upon due conditions and under due supervision, the position of the Government and Parliament would in most cases be more satisfactory.

Hodgkin, 2377-8, 2576-8 (1890).
Tuke, 3409. 3462-7 (1890).
Rankin, 1973 (1890).
Cochran-Patrick 8-24 (1889).
Bell, 1148-9 (1890).

Objections have been made to the granting of public money with the effect of assisting the profits of a commercial undertaking; but the employment of such agencies for public purposes has often been found to be convenient and economical. At one period foreign mails were conveyed in Government packets, but for many years it has been found more advantageous to pay to merchant steamers fixed sums on condition of the mails being carried as a part of the cargo at certain minimum rates of speed and fixed dates of despatch. Otherwise mail packages are forwarded by merchant ships at a certain rate of freight but without specification of time. Your Committee see no valid reason why, if Government can be satisfied that a company is in a position to send out as colonists some portion of the population whom it may be desirable to remove, with their own consent, to another part of Her Majesty's dominions, its services should not be taken advantage of, and paid for.

Indeed, it was found necessary to do this in the case of the crofters sent to Canada in 1888, for the Government agency being unprepared to receive and forward

[C. 5403] (1888).

them to their destination to Canada, they were only relieved from considerable hardship by the machinery of the North West Company being taken advantage of. It is difficult to see why it would be felt more proper to pay to a company the cost of the whole journey from this country to the destination of emigrants than that of a section of it; or, if a company is prepared to convey and install the colonists upon proper conditions, why Government should not contract with it to do so, either upon terms of repayment of the advance of the whole cost, or of the free grant of a portion of such cost.

Your Committee are not disposed to pronounce decisively between the comparative merits of State-aided and commercial colonisation. The commercial principle ought to enter into all such transactions, that is to say, it is not desirable in the interest either of the public or of individuals that a population should be artificially expatriated, without due consideration of the material gain to the communities to be relieved or to be supplied. The most wholesome process is the most natural, viz., where supply meets demand, or where surplus finds vent in a vacuum seeking replenishment, spontaneously or with voluntary assistance; and of such character, as has been shown, has been by far the largest portion of the emigration from all parts of the United Kingdom, and notably from Ireland.

But sections of the population, excessive yet inert, may, as your Committee have shown, require special help to escape from a condition of hopeless despondency, and to gain fresh opportunities of livelihood. The world offers many openings to the enterprising emigrant; he can choose among many British colonies and among many foreign lands; to the State but few are now open, and these are rapidly being filled up. Your Committee think that the co-operation of no well-appointed agencies should be rejected, whether they be offered by the Governments of colonies desiring industrial population for their unoccupied areas, or by associations, commercial or benevolent, which can satisfy the constituted authorities of this country that they are able and ready to offer the means of achieving independence to those who cannot hope to enjoy it at home.

No instance has been brought to the notice of your Committee of a company accomplishing colonisation with financial success in the absence of some assistance, either in the shape of free passage or of free grants of land. The Colonists Aid Corporation, in terms of an agreement with the Government of New Zealand, brought out and settled permanently 3,000 persons on an estate, already referred to as the Feilding Settlement, of 105,000 acres, with a profit of over 5 per cent. to the shareholders for a period of fifteen years, the land costing them 15 *s.* an acre in an unimproved state, and requiring twice that sum per acre for development previous to sale; the only extraneous assistance they received being the payment of the actual passage of the colonists at 16 *l.* a head. A large number of the persons brought out were married, with children. If a similar scheme could be carried out as was proposed by the New Zealand Government in 1884, for a crofter settlement in the province of Dunedin, at no greater cost to the British public, it would seem a more satisfactory solution than the problematical refund of a sum ten times greater. At all events, the experiment seems to be worth trying, whether alone or simultaneously with one entirely State-worked.

Feilding, 1510 *et seq.* (1890).

Bell, 1148 (1890).

Your Committee are of opinion that the success of the Canadian experiment is sufficiently established to justify a further despatch of a moderately numerous party; that is to say, that if a sufficient number of suitable families offered themselves as colonists on conditions similar to those which governed the despatch in 1888 and 1889, arrangements should be made for their settlement on the lands open to them. It is now accepted that such colonists as the crofters ought not to be segregated in a country to which they are unaccustomed, but be distributed in settlements where they would have the benefit of the example and experience of others. On the other hand, they must to some extent be placed in groups of families for mutual support and greater economy of supervision by the Government agents.

Edwards, 3768 (1890).

Eden, 55 (1891).

Complaints were made at the time of their settlement, and have lately been repeated, of the hardships which some of these settlers suffered, especially those of 1888, on their first arrival. These do not appear to your Committee to have been greater than have often been undergone by newly-arrived emigrants all over the world, but, such as they were, they would doubtless be avoided in the light of the experience that has been gained, in case of a further despatch of settlers of the same class.

Clark, 593 (1891.)

Moreover,

Moreover, any other crofter colonists would be better informed of the circumstances of the new country to which they were going by the letters of their predecessors, and by the particulars which should be accurately furnished to them of the conditions of their settlement and of the equipment which they should take with them. There is some reason to believe that those who were sent out in 1888 and 1889 formed undue expectations of the continuance of Government aid beyond the limits of the scheme. Eden, 52 (1891).

Your Committee are impressed by the extreme desirability of rescuing the crofter population of the congested districts from the habitual expectation of external and extraordinary aid, which for a long period has been rendered necessary by their lamentable condition, and which cannot but have an enervating and demoralising effect. It is therefore most important that the measures to be taken shall be so effectual as to give hope that the excessive numbers of the population shall be reduced and that those who remain shall be in a position to be self-supporting, with the usual exceptions of those who are incapacitated by age or infirmity. In such a country as Scotland, which has dispensed with an able-bodied poor law, it is inconceivable that a small section of the population should be permanently in a state of dependence and distress.

The misfortune above mentioned would follow the colonists to their new homes, unless the principles of independence and self-reliance were the basis of their settlement. In this sense a witness who is well acquainted with the present condition of the Manitoba and Assinoboia colonists urged the desirability, in case of future colonisation of the crofters, of leaving them to supply themselves by ordinary methods with the necessaries of life, instead of serving out rations, whereby they are kept in a position of dependence. Your Committee further think that the well-intentioned visits and inquiries of persons interested in their condition may tend to delay their reliance on their own efforts, and encourage their expectation of additional relief. Eden, 98 (1891). Eden, 13. (1891).

Already, as in 1851, Sir John M'Neill reported that "the accounts received "from the persons who have recently gone out" (from the Hebrides) "to Canada are, on the whole, cheering and gratifying, so the crofter settlers of 1888, at Killarney in Manitoba, are in the enjoyment of plenty; and those of 1889 at Saltcoats, who remained on their holdings, though their first year was a bad one, are doing well. 332 (1891). [C. 6287] 1891.

At the same time your Committee have confined themselves to the recommendation that a further experiment should only be made on a moderate scale; that is to say that, as 43 families were sent out in 1888 at a cost of 2,600 *l.*, which sum it has been subsequently found necessary to increase, and 49 more in 1889, making a total of 282 persons, a further experiment might be made by sending parties not exceeding in the aggregate 100 families. 217, 218, 337. Lord Aberdeen. Dr. Clark.

Your Committee do not recommend a larger number at present, not from any doubt of the practicability of the scheme, but because they do not think that the experiment should be more extensively tried until the ability of the crofter colonists to fulfil their engagements has been tested by their repayment of the first instalments due by them in 1892, and because they think that the instrumentality of some of the many schemes should be allowed free play, whether in North-west Canada, British Columbia, Australasia, or elsewhere, together with a trial of the expedient of migration, should the board, which your Committee have elsewhere suggested, be established by Parliament, and find an opportunity for its trial. M'Neill (1889). 351–361.

The proposals of the Government of British Columbia have much to recommend them. Under an Order of the Lieutenant Governor in Council in 1888, Mr. Begg was appointed a Commissioner to submit to Her Majesty's Government a scheme under which, experimentally, an advance of 150,000 *l.* would be made by the Treasury, to bear interest at the rate of $2\frac{3}{4}$ per cent. (but the interest for the first five years to be added to the capital sums), until repayment by the Government of British Columbia, who would guarantee the repayment of principal and interest. With the funds, &c., provided it is proposed to take out gradually 1,250 families, and to settle them on locations variously suited for agriculture, fruit culture, sea fishing, and other industries. Mr. Begg's negociation advanced so far that in 1888 the Treasury were apparently willing to grant the sum asked, but on more onerous conditions, which the Colonial Government did not see its way to accept. The appointment of the Committee of 1889 threw this and other schemes into abeyance, and the Commissioner has been ever since in a state of expectancy of its judgment on his project. Appendix, No 7 (1891). Begg. 3087. (1889)

That project presents the rare recommendation that it demands from the public purse or from local funds no assistance beyond the Imperial Loan, the repayment of which is guaranteed by a solvent and promising Province, which seems to possess ample resources for the settlement of a large population. In the respects of climate and seaboard it is well suited for the reception of a class accustomed both to land and sea pursuits. In many particulars the requisite machinery is incomplete, but your Committee see no reason to doubt that the enterprise of the Colonial Government would soon supply what is deficient, aware, as they would be, that the success of their undertaking would depend upon their very first shipments of emigrants being well selected and well provided for in every way. Your Committee think that in no way could the object recognized as necessary be obtained with less outlay or risk to the national exchequer, and they can conceive of many considerations in which the colonisation of British Columbia by a maritime population would appear to be desirable in the interests of the British Empire. They do not think that by any one scheme the adequate relief of the congested districts can be attained; and they recommend the offer of the Government of British Columbia to the early and favourable consideration of Her Majesty's Government and Parliament.

Your Committee would then recommend that measures should be taken for the relief of the crofter districts similar to those which have been proposed by Her Majesty's Government in regard to the congested counties of Ireland. It will be necessary to make provision that funds be voted by Parliament; but, as compared with Ireland, a much smaller sum would be necessary, say a grant to be operated upon by the Colonisation Board, of 15,000 *l.* a year for 10 years. Your Committee would suggest amendments of the Crofter Act of 1886, analogous to the provisions of the Land and Congested Districts (Ireland) Bill, as far as they may be applicable. For example,—

(1.) As by Clause 13 of that Bill it is proposed that certain Unions and Electoral Divisions shall be formed into "Congested Counties" for the purposes of the Act, your Committee recommend that in Scotland the "Congested Districts" would be naturally those defined by the Crofters Act.

(2.) As by Clause 12, certain available funds are appropriated, so for Scotland, such would require to be voted by Parliament."

(3.) A levy upon the county or parish might in like manner be made as a condition of the Parliamentary Grant; but power should be reserved to the Treasury to dispense with such levy, where, as in Lewis, the poor rates, though inadequate to give sufficient relief, are already so heavy as to preclude additional burdens.

(4.) As by Clause 16 restrictions are to be laid on the sale of holdings in congested districts with a view to amalgamation, so power might be given to purchase holdings for the purpose of migration, if suitable areas could be found and circumstances be favourable, and power should be given to assist colonisation, emigration and migration; to sell seed corn, and potatoes; to aid local industries (including the making of roads or tramways), and to renew grants to the Scottish Fishery Board for the purposes prescribed by Section 32 of the Crofters' Holdings (Scotland) Act, 1886.

The existing Crofter Colonisation Board should be reconstructed in order to deal with these purposes, as regards Scotland, with additional members specially selected, including the Under Secretary for Scotland.

Proposals with reference to the congested districts of Ireland being already before Parliament in the Bill above-mentioned, it does not appear to your Committee necessary to make any suggestions in respect of them; but the foregoing remarks as to the employment of companies would be equally applicable to projects of colonisation under that Bill.

There is another species of congested population whose misery is often very great, and which seems to cry out for assistance even more than the Celtic districts of the kingdom, namely, the congestion which takes place in our large towns, and notably in the Metropolis. The evidence taken does not elucidate this difficult problem,

problem, and your Committee are not in a position to offer any solution of it. It presents few of the features of congestion of the other kind. The population in question have no attachment to the soil, and no indisposition to move. On the other hand they have not, as a rule, the vigour or the fitness for rural industries which make good colonists of the congested populations of Ireland and Scotland. They are part of the great migration which fills London from all portions of the country, and to some extent from abroad.

Peace, 1789 (1891)
Lucas, 1767 (1889).

They are the last species of population that foreign countries or colonies would wish to receive; and their agricultural industry, at least at first, is likely to be so unremunerative as to furnish no security whatever for any advances that may be made to them. Whatever course Parliament may think fit to adopt with respect to them, it will probably be decided by other investigations than those which have occupied this Committee. It will certainly be in no way affected by the principles on which it may be thought wise to deal with the congested districts of Ireland and Scotland.

Peace, 631 (1891)

It may be hoped that by the exercise of the new powers with reference to emigration and colonisation conferred by the Local Government Acts, some of those who would otherwise migrate to the large centres of population, not on account of their incapacity, but by reason of the superfluity of labourers in their particular industries, may be guided to new fields of labour; while among those who have gravitated to such centres and have not found sufficient employment, but who have not lost their early aptitudes, may be many whom the County Councils of those places can by similar means save from falling into the ranks of the pauper class.

The attention of the Committee has been called to the Emigrants' Information Office, which was instituted in 1886, in order to give useful and trustworthy information as to the British Colonies to those who might wish to emigrate from this country. It is managed by a committee consisting of some well-known gentlemen interested in emigration; some representatives of the emigration societies, three workmen's representatives, two members of the Colonial Office, a former member of the Emigration Board, and some others, all of whom give gratuitous service. The nominal chairman is the Secretary of State for the Colonies, the acting chairman is Mr. Charles Lucas, of the Colonial Office, who appears to take a warm and intelligent interest in the work. It was not intended that the Government should accept responsibility for the information issued, but it grants 500 *l.* a year for the staff, 150 *l.* for rent and maintenance, as well as free postage and printing. The office does not encourage or discourage emigration; its object is to ascertain and publish facts. To this end it issues quarterly a poster, which is put up in all the post offices of the United Kingdom; quarterly circulars as to the cost of passage, the rates of wages, and the prospects generally for emigrants to Canada, the Australasian and the South African Colonies, handbooks of various kinds, and maps. These are compiled from official returns, from answers to inquiries made of selected correspondents, belonging to various classes, and from the personal observation of the editor and of members of the committee. This information not only can be obtained at the office, where at least 1,300 inquiries are made in a single quarter of a year, but is disseminated through the Post Office, through workmen's clubs and the free public libraries, through the clergy, the registrars, the boards of guardians in England and Ireland and the parochial boards in Scotland, various societies, such as co-operative, trade, charity organisation, emigration, &c., chambers of commerce, and newspapers, and private persons.

Lucas (1889) 1344, &c.
App. No. 8 (1889)
Lucas (1889) 135
1343.
1352, &c.

It has lately been found necessary, also, to furnish information regarding the tropical colonies, the Transvaal, Brazil, and the Argentine Republic.

It appears to your Committee that the design and management of this office are admirable; that probably no more valuable and efficient work was ever done at so small a cost to the public, and that this satisfactory result is mainly due to the businesslike character of the direction and to the philanthropic spirit which animates its members. Information so obtained and diffused must largely tend to prevent intending emigrants from being misled by specious representations, and their scanty means from being wasted by ill-chosen enterprises.

Wide, however, as is the field already reached by the publications of the office, it is evident that to render it thoroughly effective its funds should be increased, so as to

Lucas, 1350, &c. (1889).
App. No. 8 (1889)

to enable branch offices to be opened in Ireland, in Scotland, and in some of the large provincial towns. This want may be partially supplied by co-operation with the Congested Districts Board proposed to be established in Ireland, and the Colonisation Board for Scotland. But, for obvious reasons, it is not desirable to connect the provincial branches with the Poor Law Organisation.

Your Committee would also suggest that in case of need a Board of Emigration and Colonisation should be established for England and Wales upon the lines adopted for the existing Colonisation Board for Scotland.

Your Committee would thus sum up their conclusions :—

That they have no grounds for thinking that the present condition of the United Kingdom generally calls for any general scheme of State-organised colonisation or emigration :

That the powers in possession of local authorities, subject to the recommendations in a previous paragraph, should be sufficient to enable them at no onerous risk to assist in the colonisation or emigration of persons or families from their own localities :

That the congested districts of Ireland, and of the Highlands and Islands of Scotland, form an exceptional case, and require relief by assistance to industries, to colonisation or emigration, and, where suitable, to migration :

That the provisions proposed in the Land and Congested Districts (Ireland) Bill are ample for these purposes :

That provisions similar to some of the foregoing should be made for the crofter districts of Scotland :

That the Colonisation Board be continued and reconstructed for the purpose of colonisation and emigration from such districts :

That the power of enlarging crofters' holdings in that Act should be kept alive :

That crofts vacated by emigration or migration should be added to existing holdings without power of subdivision :

That the experiment of colonising the crofter population in Canada should be further tried :

That the proposals of the Government of British Columbia should be favourably entertained :

That similar proposals from any Colonial Government should be entertained.

That the agency of companies for colonisation and emigration should be taken advantage of, both as regards the aforesaid colonisation in Canada, and elsewhere :

That the Government grant to the Emigrants' Information Office should be increased.

17 *March* 1891.

PROCEEDINGS OF THE COMMITTEE.

Tuesday, 3rd February 1891.

MEMBERS PRESENT:

Sir James Fergusson.	Mr. Rathbone.
Mr. Munro Ferguson.	Mr. Wodehouse.
Mr. Hobhouse.	Sir George Baden-Powell.
Sir John Colomb.	Mr. Loder.
Mr. Rankin.	Colonel Malcolm.
Dr. Clark.	Mr. Seton-Karr.

Sir JAMES FERGUSSON was called to the Chair.

The Committee deliberated.

[Adjourned till Friday next, at One o'clock.

Friday, 6th February 1891.

MEMBERS PRESENT:

Sir JAMES FERGUSSON in the Chair.

Mr. Rankin.	Mr. Wodehouse.
Mr. James Maclean.	Sir George Baden-Powell.
Mr. Munro Ferguson.	Colonel Malcolm.
Mr. Gerald Balfour.	Mr. Campbell-Bannerman.
Dr. Clark.	Mr. Seton-Karr.
Mr. Osborne Morgan.	Sir John Colomb.
Mr. Rathbone.	

Mr. *A. F. Eden* and Sir *George Baden-Powell* (a Member of the Committee) were examined.

[Adjourned till Tuesday next, at One o'clock.

Tuesday, 10th February 1891.

MEMBERS PRESENT:

Sir JAMES FERGUSSON in the Chair.

Mr. Campbell-Bannerman.	Colonel Malcolm.
Dr. Clark.	Mr. Mahony.
Mr. Rathbone.	Mr. Seton-Karr.
Mr. Wodehouse.	Sir John Colomb.
Mr. Osborne Morgan.	Mr. Rankin.
Sir George Baden-Powell.	Mr. Munro Ferguson.
Mr. Loder.	

The Earl of *Aberdeen* was examined, and Sir *George Baden-Powell* (a Member of the Committee) was further examined.

Dr. *Clark* (a Member of the Committee), was examined.

[Adjourned till Friday next, at One o'clock.

Friday, 13*th February* 1891.

MEMBERS PRESENT:

Sir JAMES FERGUSSON in the Chair.

Dr. Clark.	Mr. Munro Ferguson.
Mr. Wodehouse.	Mr. Mahony.
Sir George Baden-Powell.	Mr. Osborne Morgan.
Mr. Loder.	

Mr. *W. Peace* and Mr. *C. Lucas* were examined.

[Adjourned till Friday, 27th February, at One o'clock.

Friday, 27*th February* 1891.

MEMBERS PRESENT:

Sir JAMES FERGUSSON in the Chair.

Mr. Rankin.	Mr. Loder.
Mr. Seton-Karr.	Colonel Malcolm.
Mr. Wodehouse.	Mr. Hobhouse.
Mr. Campbell-Bannerman.	Mr. William M'Arthur.
Mr. Munro Ferguson.	Mr. Gerald Balfour.
Dr. Clark.	Mr. James Maclean.
Mr. Rathbone.	Mr. Schwann.
Mr. Osborne Morgan.	Sir John Colomb.

The Committee deliberated.

[Adjourned till Tuesday next, at One o'clock.

Tuesday, 3*rd March* 1891.

MEMBERS PRESENT:

Sir JAMES FERGUSSON in the Chair.

Mr. Wodehouse.	Colonel Malcolm.
Mr. Rankin.	Mr. Campbell-Bannerman.
Mr. Osborne Morgan.	Mr. Hobhouse.
Dr. Clark.	Mr. James Maclean.
Mr. Rathbone.	Mr. Gerald Balfour.
Mr. Munro Ferguson.	Sir John Colomb.
Mr. Loder.	Mr. Seton-Karr.
Sir George Baden-Powell.	Mr. Schwann.

The Committee deliberated.

[Adjourned till Tuesday next, at One o'clock.

Tuesday, 10*th March* 1891.

MEMBERS PRESENT:

Sir JAMES FERGUSSON in the Chair.

Mr. Seton-Karr.	Colonel Malcolm.
Mr. Wodehouse.	Mr. Loder.
Mr. James Maclean.	Sir George Baden-Powell.
Mr. Hobhouse.	Mr. Gerald Balfour.
Mr. Rankin.	Mr. Osborne Morgan.
Mr. Munro Ferguson.	Mr. William M'Arthur.
Mr. Rathbone.	Mr. Schwann.
Mr. Campbell-Bannerman.	Sir John Colomb.
Dr. Clark.	

DRAFT REPORT proposed by the *Chairman*, read the first time, as follows:

"1. YOUR Committee have considered the evidence taken by the Select Committees appointed with reference to the same subject in 1889 and 1890; and before reporting the conclusions to which they have come, deem it expedient to advert to the circumstances in which that reference was made.

"2. The relief of the distress in the Western Highlands and Hebrides by means of a system of colonisation was recommended by the Royal Commission of 1883, of which Lord Napier and Ettrick was Chairman, and various schemes for this purpose were from time to time submitted to Her Majesty's Government, to which more particular reference will be presently made.

"3. It was the great distress which prevailed in those districts in 1887 that induced Her Majesty's Government to open negotiations with that of Canada, and afterwards with several land companies in British North America. These negotiations, as will be seen, proved abortive. The urgent representations made to him induced the Secretary for Scotland to appoint two Special Commissions of inquiry, in consequence of whose reports a limited and experimental scheme was undertaken, the results of which have been stated to your Committee. C. 5265 (1888).

"4. The Committee of 1889 examined nine, that of 1890 forty witnesses, and that of 1891 five. They had remitted to them the Report of the Crofter Commission of 1883, and had before them many official papers bearing on the subject of the inquiry. A summary of the evidence taken by those Committees with reference to recent schemes for emigration or colonisation, which brings out succinctly the various suggestions made by the witnesses in regard to the chief feature of inquiry, will be found in the Appendix. It must be premised here, that the meaning attached in this Report to the term 'emigration' is the transfer of individual emigrants from the United Kingdom to a colony or a foreign country; while the term 'colonisation' will be used to signify the transfer of emigrants from the United Kingdom in families and their direct settlement upon land in the country to which they migrate.

"5. Upon these diversified schemes it appears to your Committee unnecessary at present to offer much comment; they are largely the designs of enterprising and benevolent men; but the deduction from their examination is inevitably that in no case has any scheme been devised for colonisation or emigration to any part of the world which has been proved as yet to be wholly self-supporting. In every instance the promoters rely upon direct subsidies, free grants of land or both, and only in one instance, to which we will refer hereafter, has a scheme of colonisation promoted by a private organisation been shown to have resulted in financial success. Feilding (1890) 1543 *et seq.*

"6. Your Committee deem it incumbent upon them to refer particularly to the Scheme for Crofter Colonisation in Canada, which has been tried, on a small scale, in 1888 and 1889, both because it has been undertaken by the direct action of the Imperial Government, and because the condition of the crofter population and the improved results of this experiment were probably among the reasons for the appointment of your Committee.

"7. The Government of Canada offer sections of their unoccupied lands to agricultural settlers at the rate of 160 acres to a man. The scheme which was based upon this liberal system is thus summarised in the Appendix.

"8. 'The Government agreed to make an advance of 10,000 *l.* on condition that 2,000 *l.* should be provided by private subscriptions. The fund was in the first year administered by the Scotch Office; but in the year 1889, by a specially appointed Colonisation Board, consisting of four Commissioners, representing (1) the Imperial Government, (2) the Canadian Government, (3) the private subscribers, and (4) three important land companies whose gratuitous co-operation and assistance were promised, subject only to reimbursement of actual authorised outlay. The advance was not to exceed 120 *l.* per family, the repayment of which, with interest, was to be made by eight annual instalments of 20 *l.* 17 *s.* 8 *d.*, the first of such to be paid in the fifth year, and to be secured to the Board by a mortgage upon the 160 acres of free-grant land selected by the settler, and a chattel mortgage on his goods.

"9. 'The sanction of the Government to this scheme was given rather late in the season, and it was not till the 17th May 1888 that the first batch of 18 families sailed, which was about a month too late, and they were followed by another of 12 families on the 2nd June. The 30 families consisted of 193 souls. It appears that the average amount expended upon each family before their arrival at their destination was 54 *l.*, leaving only 66 *l.* for their use after their arrival, which was much too small a sum, with the result that there was a certain amount of dissatisfaction and distress among the emigrants during the following winter, and it was necessary to advance them further sums which, in some cases, were found by dividing a family into two, and advancing the whole or part of another sum of 120 *l.* to a grown-up son, who would take up another 160 acres. Cochran-Patrick, 57. Colmer, 714 (1889).

" 10. 'In 1889 the arrangements were begun in good time, and 49 families sailed on the 3rd April, and were located about 200 miles to the north-west of the first settlers. The emigrants were told that no advances would be made them on this side of the water. They had to provide for their own clothing and outfit from the sale of their stock and possessions, and in result the average expenditure per family before the arrival at their destination was 35 *l.*, as against 54 *l.* in 1888, leaving a balance of 85 *l.* to be expended in Canada ; and there was, therefore, no occasion for an additional advance.'

M'Neill, 623 (1889).
Colmer, 729–731 (1889).

" 11. As far as Parliament is concerned the question as it is now before your Committee took a practical form in February 1887, when a voluntary Colonisation Committee was formed of 32 Members of the House of Lords and 135 Members of the House of Commons.

H. C., 106 (1889).

" The results of the proceedings of that Committee are set out in the Papers handed in by Mr. Seton-Karr, a Member of this Committee. These Papers contain a table of six colonisation schemes ; a summary of the replies of the representatives of Canada and the Australian Colonies (who visited this country in 1877) to questions put by the said Voluntary Committee, and the Memorandum of the said Committee, setting forth the scheme they recommended, with an outline of the principles on which this scheme is based.

" The replies of the representatives of Canada, West Australia and Tasmania were in favour of the principle of State-aided colonisation ; those of the representatives of Canada, West Australia, Victoria, Queensland and Tasmania state that a large area of land in their respective colonies is valuable for colonisation purposes.

" The Memorandum above referred to was, at the request of the Voluntary Colonisation Committee, submitted by the Secretary of State for the Colonies to our various Colonial Governments. The replies received were laid on the Table of the House of Commons during the Session of 1889. The Government of Western Australia, Natal, Newfoundland, and Canada, were generally favourable to the principle of the scheme, as in these Colonies large areas of free land are available for colonisation purposes. The above replies must not be confused with those of the Colonial Governments in reference to proposals of Mr. Kimber, M.P., in 1888 ; these latter proposals differ essentially from the Scheme of the Voluntary Colonisation Committee, in that they suggest a pecuniary liability in the way of guarantee on the part of Colonial Governments, which the latter have always declined, except in the case of the Government of British Columbia, hereafter referred to. The Scheme of the Voluntary Colonisation Committee contains no suggestion for any pecuniary liability whatever on the part of the Colonial Governments, and consequently met with a more favourable reception.

" 12. In 1888 questions were addressed to Her Majesty's Government as to the appointment of a Select Committee to inquire into the subject ; and on the 22nd November the First Lord of the Treasury moved for the appointment of a Select Committee to inquire into the various schemes which had been proposed. The motion was opposed on the ground that it was limited to Crofter Emigration and to British Colonies, and it was considered impracticable at that period of the Session to undertake a more extensive inquiry. It was accordingly delayed till the following Session, when the present Order of Reference was made, and a Select Committee appointed.

12 April 1889.

" 13. Your Committee apprehend that the intention of the House of Commons in their wide Order of Reference was to elicit a Report which should form a guide to the future action of Parliament, and of Her Majesty's Government, on this important question. Yet here your Committee believe that they would do wrong to attempt the decision of a question wider than the immediate necessities of the circumstances require. The evidence they have received has not shown that any extensive measure of emigration is at present necessary for the greater part of the United Kingdom, and therefore the general question of attempting to transfer by administrative action to other parts of Her Majesty's dominions, to foreign countries, or to newly opened regions, the surplus population, is one with which your Committee do not feel themselves called upon to deal. On the contrary, by all the tests of national welfare, the volume of pauperism and crime, the condition of the industrial classes, the ruling rates of wages, the regularity of employment, and the accumulation of savings, it is apparent that hitherto the country generally has been able to maintain its vastly increased population, on the whole, better than other European countries, or than the United Kingdom, was itself able to maintain a much smaller population in the first half of the present century. In so describing the general condition, your Committee do not forget the exceptional features to which it will be their duty to advert ; but it is inconceivable that in any state of human society, however prosperous and favoured, there will not be elements of poverty and helplessness presenting problems for solution and suffering for the resources of civilisation to assuage.

Owen, 3012–14 (1889).
Giffen (1890), 613–16, 688 *et seq.*
Peace.

" 14. Your Committee recognise that a condition of affairs might arise very different to that which they have described as now existing, a condition which might call for special intervention by Parliament in aid of local authorities or otherwise, and that such aid might be given in connection with emigration. But in the absence of signs of the approach of such an emergency, they do not feel themselves justified in recommending the adoption of any general scheme for the Kingdom at large, or the institution of machinery to meet it. The varied organisations already existing, and the experience gained by emigration societies, such as Mr. Tuke's fund, the Self-help, &c., would doubtless at such a period be found valuable, and supply methods which in former times were absent. Moreover, your Committee are impressed by the evidence before them that, while the vast bulk of colonial opinion is strongly adverse to emigration directly assisted by the State, it is not an expedient which could be recommended to Parliament. Your Committee would, however, abstain from expressing an opinion against any schemes for State-aided colonisation, in which individual colonies might be disposed to concur ; for, inasmuch

inasmuch as New Zealand in 1884 was willing to co-operate in such a scheme, and British Columbia is so now, such an arrangement cannot be regarded as impracticable, and would be mutually advantageous.

"Generally speaking, emigration has hitherto been the most economical and effectual means of relieving the surplus population. Indeed, many schemes of colonisation which have failed in successfully settling their proposed colonists at once as landholders, have resulted in the equipment of families, in the first place, as thriving earners of wages, and afterwards as colonists, when they had earned experience as labourers. The successful disposal of emigrants must obviously be regulated by considerations of individual fitness and opportunity.

"15. There do exist statutory powers to local authorities to provide for or assist the emigration of poor persons. Since 1836 various Acts have been passed containing provisions for that purpose. Powers are vested in the boards of guardians, regulated now by the Union Chargeability Act of 1848, to expend any amount that they deem necessary for the emigration of poor persons, whether chargeable to the rates or not, with the consent of the Local Government Board. As regards adults these powers have not been largely used, but between 1879 and 1889, 3,337 persons, chiefly children, have been emigrated wholly or partially at the cost of the poor-rate, at an expenditure of 23,390 *l*. Of this number, 2,620 children were sent to Canada. The number so sent has increased in recent years, under very suitable arrangements with the Government of Canada for the care of the children, and also with the voluntary assistance of benevolent persons. A large field is said to exist for such emigration, and, considering that the maintenance and education of a child at the public expense in this country cannot be placed at less than 10 *l*. a year, the expedient appears to be beneficial, alike to the ratepayers and to the poor educated children so disposed of. (1889). Owen, 2814, &c. 2831. 2918. 2916. 3009.

"16. Again, the Local Government Act of 1888 conferred upon County Councils wide powers of contributing to emigration or colonisation. Under Section 69 of that Act a county council may make advances to any person, or bodies of persons, corporate or incorporate, in aid of the emigration or colonisation of inhabitants of the county, with a guarantee for the repayment of such advances from any local authority in the county, or the government of any colony. They are also empowered, with the consent of the Local Government Board, to borrow money for the purpose. These powers are practically unlimited, provided that a guarantee for repayment be given and that the consent of Government be obtained. The county council would be at liberty to avail itself of the agency of a public company to provide the machinery of emigration or colonisation, while the local authority might be itself relieved in whole or in part of the burden of its guarantee, whether by the assistance of private persons or of the company employed. 2854. 2860.

"17. Similar powers are conferred upon county councils in Scotland by the Local Government Act (Scotland), 1889.

"18. The agency of local authorities for such purposes is in many ways preferable to the direct action of Government, both in the interest of economy and from the advantage of their knowledge of the people and of the circumstances of the district, while by such combined machinery extensive colonisation might be carried out without much burden or risk to the rates. 2862. 2866.

"19. As yet these powers do not appear to have been taken advantage of. It may be that other matters have hitherto occupied the county councils, or that in the more prosperous circumstances of the last two years the need of such special measures may not have been felt; but probably the small recourse had to the former Acts in this respect has been owing to the indisposition of boards of guardians to burden the rates, to the unsuitability for emigration of the majority of those chargeable to them, and to the absence of inducement to encourage the removal of persons not so chargeable. Should the times change for the worse, these statutory provisions may prove valuable and convenient, and they constitute a further reason against any large proposals for State-aided emigration. 2857.

"20. The small numbers of persons who have been enabled to emigrate by the statutory powers possessed by the Poor-law authorities in England and Ireland, seem to indicate that a different agency is desirable, and that the method employed should, on the one hand, not be one that has a pauperising effect upon the emigrant, and should on the other be designed rather to save the superfluous population from falling into the ranks of the rate-supported, and to facilitate the transference of their capacity for labour to lands as yet insufficiently peopled. Ruttledge Fair 2144 8.

"21. In the notice of the circumstances which have led to the appointment of these Committees of 1889, 1890, and 1891, the special case of the crofter population of some parts of the Highlands of Scotland and of the Hebrides is prominent.

"22. In Ireland, too, ever since the great famine of 1846–7, emigration and removal to other parts of the kingdom has operated as an inevitable expedient to relieve the over-population. Since 1851, 3,276,103 are stated to have emigrated, 67,376 of whom have been assisted to do so under the provisions of Acts of Parliament. Your Committee have had before them ample evidence of the benefits conferred both on those who went and those who remained behind by the carefully organised emigration from the congested districts of Ireland in the years 1882 to 1884; and of the large sums of money now being remitted by such emigrants to help their friends in Ireland. Yet persons well acquainted with the circumstances represent that in addition to all expedients which can and ought to be applied for the improvement of the condition of the people, an extensive area on the south and west coast of Ireland can only be Robinson (1890).

effectually relieved by the removal from the locality of a large per centage of the population. These districts in both countries have been in recent years styled "congested." But though the population exeeeds the capacity of the districts to support it, the numbers to be dealt with do not demand for relief any extravagant appeal to the Exchequer of so wealthy a nation. Even those official witnesses, who are the least favourable to State-aided emigration in general, and even those who deny the occasion for expatriation, make exceptions in regard to these particular spots; although the latter demand that at least in the first place there shall be tried what is called migration, the transfer of some of the population to more favoured portions of the British Islands, or to neighbouring areas, in which they assert that land at present applied to other purposes ought to be made available to receive the surplus of the congested districts.

Barnett, 1811 (1889).
Herbert, 1281-3 (1889).
Mackenzie, 4938, 5166 (1890).

"23. The consideration of "migration" was not expressly referred to your Committee, but it was so much insisted on by certain witnesses as a preferable expedient, and it is so much bound up with the question of congested areas that some reference to it appears unavoidable.

Robinson (1890), 5740-44. 5592.

"24. This remedy confessedly cannot be effected except upon a very limited scale without compulsory powers for the alienation of property or tenure; and it is not pretended that it can be accomplished without financial sacrifice, that is to say, that certain areas of land must be withdrawn by legislative act, and at the cost of the community, from purposes which their owners find more profitable, in order to enable the peculiar population, grown too numerous for their present limits, to fill up new districts on conditions which within no lengthened period may create anew the difficulty which now presents itself. Although, in the case of Ireland. Parliament has already granted pecuniary assistance to an experiment of migration and settlement, it has not up to this time been attempted with success, and its failure is easily to be explained. It is confronted with this dilemma, that either the soil to which the surplus population is to be removed is too barren to better their condition, or, if its quality is better, then its value is too high to make the operation financially successful. It is only in new countries that good soil can be found at a cheap price.

[C. 3980] (1884).

"25. As regards the Crofter districts the evidence taken by Lord Napier's Commission in 1883 makes it to appear very improbable that even by the creation of extraordinary Parliamentary powers, by the application of public funds to compensate existing owners and occupiers, and by the spreading over a larger area of the congested population, the want can be supplied to any considerable extent; and they held that 'almost insuperable difficulties would be offered to the settlement of crofters in the deer lands'; the alternative to the deer forests being accepted to be for the most part sheep-farming, as far as the hills are suited for that pursuit, while the total amount that could be carried on the land would be an insignificaut addition to the national food supply.

[C. 3980] (1884), p. 85.

(1890). 4148. &c.

"26. Your Committee are unable to recommend any large scheme of migration, but they do not deem it altogether impracticable that this expedient should be tried if the opportunity be found. This has been occasionally done as by the voluntary act of Lady Scott in North Harris, and, as will be hereafter noticed, it is proposed in a Bill introduced into Parliament by Her Majesty's Government that provision shall be made for it in Ireland.

"27. In Ireland it is possible that the works of reclamation of undrained watersheds may afford some area for migration, and both there and in the north-west of Scotland the construction of light railways and of fishing harbours, and the advance of funds for the better equipment of fishing vessels, may enable the overcrowded and poor population to earn a better livelihood. But in addition it has long been established by ample authority, and the evidence taken by these Committees demonstrate that some further measures are required, and that it is for the benefit of the population themselves and for the country at large that some further assistance to emigrate shall be given to those who are disposed to accept it.

"28. It is needless now to establish the necessity of exceptional measures in relation to these peculiar districts. Many Acts of Parliament have recognised it, and special powers have been given to local authorities in Ireland to expend money raised upon the security of the rates, aided by public grants or loans for the purpose of assisting emigration. Private benevolence also has from time to time been evoked in order to relieve the suffering which attends the chronic distress.

"29. The Crofters' Holdings (Scotland) Act, 1886, granted in favour of the crofters within certain defined areas a large reduction of proprietary rights, fixity of tenure on condition of the payment of a judicial rent, and certain restrictions from dilapidation, liberty of renunciation and bequest, compensation for improvements, and enforceable claims for enlargement of holdings. Power was given to the Treasury to grant money, so that loans might be made by the Scotch Fishery Board to fishermen in crofting parishes for the building purchase, or repair of vessels, boats, and gear for fishing purposes, or for the encouragement of the fishing industry; and up to the 30th April 1890 it appears by a Parliamentary Return that a sum of 25,719 *l.* had been so advanced. At that period 29 per cent. of the amount due upon those loans was in arrear.

[C. 640], (1890).

"30. But by Section 22 the powers for the enlargement of holdings conferred upon the Crofters' Commission were limited to a period of five years from the passing of the Act, which was prolonged until the end of 1891 by the Expiring Laws Continuance Act of 1890. Your Committee recommend that those powers should be prolonged, and that upon the termination of that Commission, those and other powers necessary for the continued administration of

of the Act, other than magisterial or judicial, might with advantage be conferred upon the Colonisation Board, with the enlargements and restrictions hereinafter mentioned.

"31, Moreover, your Committee deem it highly expedient, in order that any emigration or migration of the inhabitants of the congested districts shall be permanently beneficial, that it shall be enacted that all crofts thereby vacated shall be added to other existing holdings up to the maximum fixed by Section 34 of the said Act, and that no subsequent subdivision thereof shall enjoy the benefits of the Crofters' Holdings Act; providing, however, as by Clause 15 of the Land and Congested Districts (Ireland) Bill, for the occupation by a member of the crofters' family of a vacant house existing on such amalgamated holding on such terms and conditions as the Commissions or Board may prescribe.

"32. The Land and Congested Bills (Ireland), 1891, Part II., now before the House of Commons, defines congested districts, and proposes to create a fund out of which (with very wide powers) sums may be applied towards amalgamating small holdings and compensating the losers thereby, in aiding the emigration or migration of the inhabitants of any congested area or of any other necessitous place in Ireland, in providing seed potatoes or seed oats, promoting and developing in various ways fishing, fish curing, improved agriculture, stock and poultry farming, or any other industrial processes; and for these purposes a congested districts board is to be created with duly salaried officers. A fund is created by the appropriation of a million and a-half sterling out of the Irish Church surplus, and provision is also made for the appropriation of sums of money out of other statutory funds in Ireland, as well as for the guarantee and contingent payment of loans raised upon such funds by the Consolidated Fund.

"33. Much as has been done for the relief of the congested districts of Ireland and Scotland, there is a concurrence of testimony that there exists nevertheless a considerable population living in most precarious circumstances, unable to maintain existence by the proceeds of local industry, chronically relieved by extraneous and special assistance, and subject in the certain occurrence of periods of failure of crops or other shortcomings to imminent risk of starvation.

"34. In Ireland the districts specially in question have been already to some extent relieved by emigration, assisted and unassisted, which has alleviated the former intolerable conditions; but the fresh legislation to which we have referred is the outcome of investigations which prove the continued and renewed necessity for exceptional measures. In the West Highlands and Hebrides, on the other hand, in spite of emigration and migration, the situation is essentially unchanged and even aggravated; while in certain places, and notably in the Island of Lewis, the most recent official inquiries reveal a condition of ever increasing gravity.

"35. The Reports of the Special Commissioners of 1888, referred to in the evidence before us, speak of 'the gravest apprehension for the future;' a population which is constantly increasing; thus, in the year 1755, 6,386; in 1797, 8,311; in 1841, 17,037; in 1851, 19,694; and in 1881, 25,487; poor rates averaging over the island 4*s.* 8*d.* in the £., although the alimony granted is 'totally inadequate;' an apathetic and often hopeless attitude among the population, and a degeneracy of type such as might be anticipated. [C. 5265] (1888), pp. 1 and 36. *ibid.*, p. 2.

"36. All the evidence before us confirms this description; the most strenuous opponent of emigration 'gives up the Lews;' and one witness, who alleged at first that the subdivision of the land in the island capable of cultivating would suffice for the maintenance of the inhabitants, admitted that it would only provide holdings ordinarily rented at 3*l.* a year for 15,000 souls. Mackenzie, 4770 (1890). Murdoch, 4555 (1890).

"37. But the Chamberlain of the Lewis before the Special Commissioners of 1888, estimated the croft necessary to maintain a family, when the head of the family is also a fisherman, as one which would bear a rental, even at the low current rate, of from 3*l.* to 4*l.*; while if he were not a fisherman, it should not be less than 40*l.*; that is to say, such a holding as would summer from 30 to 40 Lewis cattle, and would keep permanently about 50 sheep. [C. 5265] (1888), p. 39.

"38. Your Committee cannot deem such an estimate excessive. The same Commissioners of 1888 stated that to the Report of Sir John M'Neill in 1851 they 'refer for a description which is . . . in many respects strangely applicable to the present crisis.' Of late years 'foreign competition' has reduced the supplementary earnings from fishing; while 'crofts, already too small to maintain one individual, are made 'the home of three, or even of four, families.' [C. 3980] (1884), pp. 97–108. [C. 5265] (1888), p. 1. *ibid.*, p. 5.

"39. This and the still more recent inquiry of 1890 indicate measures which may relieve destitution in the Lewis and other spots severely though less terribly, congested; the formation of local roads, tramways, fishing harbours, and more direct lines of railway from ports on the coast; the subsidising of lines of steamers to expedite the conveyance of fish to market; and for the families in which there is no able-bodied member, or on which the able-bodied are only females, grants in aid to the parochial boards, to be disbursed separately from the rates with such labour tests of domestic industry as are possible. [C. 6138] (1890).

"40. It cannot, however, be doubted that there are districts in which no remedial measures can be adequate or permanently beneficial which do not include some for the reduction of the redundant population within manageable limits. In so saying, your Committee can lay claim

to no new discovery. From 1836 down to the present time, competent authorities have from time to time declared that the population of these districts cannot be extricated from their difficulties without the aid of emigration, and each successive report has demonstrated that the evil and the necessity have continuously increased.

[C.6138] (1890), p. 21.

" 41. The latest inquiry by competent observers on the spot in the Highlands and Island Commissions results in the sad opinion that ' whatever development of the fishing industry may ' hereafter become possible, we have formed a strong opinion that, in order to produce any ' substantial improvement in the material prosperity of the population, a considerable reduction ' of their numbers is urgently required.

" ' This is especially the case in the Long Island, and in some parts of Skye. In three of ' the parishes in the Lews the valuation does not amount to as much as 1 *l.* per head of the ' population. In all the parishes of the Long Island, and in three out of the seven parishes in ' Skye, the valuation does not amount to as much as 2 *l.* per head.'

" 42. Were the manifestly surplus population removed to other places where there is room for them, the augmented prosperity of those who remain may obviate, in no distant future, the necessity for exceptional measures, which tend to destroy in a population the attributes of independence and self-reliance, and which cannot be long continued without manifest injustice to other sections of the national community, whose condition, though not so peculiar, is hardly less miserable and distressing.

" 43. It being, then, generally accepted that Parliament may profitably and properly vote money for the purpose of diminishing the population in congested districts, and believing, as do your Committe, that ' migration ' cannot offer an adequate solution, if it be practicable in any considerable degree, the question arises whether such diminution can best be effected by means of colonisation or emigration. It is clear from the evidence that for private agencies emigration is the cheaper and more profitable remedy. The expenditure is not large per head, the limit of loss in each case is known from the first, and the responsibility for the future of the emigrant lies exclusively with himself. Unfortunately it is a remedy which is hardly open to the State upon a very large scale. Foreign countries, and even our own colonies, would resist the deportation of a large number of people without means, who had been assisted to cross the water by the British Treasury, nearly as much as they do those who have been sent out by the guardians of the poor. The United States legislation is already so stringent that any such enterprise directly carried out by the agency of Government would be impossible. The colonies have not yet taken so definite a step, but their feeling is well known, and they would find means to resist the importation of a multitude who brought with them no means of self-support. But while direct emigration by Government may be found for these reasons to be almost impracticable, the same objections would not apply to Government grants in aid of emigration undertaken by voluntary agencies. In the opinion of your Committee, Government assistance to emigration might in the future be successfully given on these lines, as it has been in the past. It was on these lines that the very successful emigration, conducted by the Committee of Mr. Tuke's Fund in the years 1882 to 1884, was organised.

" 44. So far as the direct act of the Government is concerned, colonisation would, on the grounds above indicated, seem to be, in the majority of cases, the remedy which would be most acceptable and meet with most co-operation and least resistance in our colonies or elsewhere. It is, however, more costly; it requires a more elaborate machinery of preparation and supervision; but it has this conclusive advantage, that it assures the state to which the people go that it is receiving inhabitants who will be able to support themselves, and, in due time, contribute their quota to the common welfare.

" 45. Moreover, the sum advanced by the State is not lost, as in the case of simple emigration, for, although the supervision of the State continues for a certain period, its outlay may revert to it in the whole or in best part by the repayments made by the colonists, and secured upon their holdings, their goods and chattels. On the other hand, it must be borne in mind that as already stated, colonisation schemes have, with hardly an exception, not yet proved a financial success; and the current opinion in the colonies, and among those at home who have had experience, is that in only rare exceptional cases are emigrants fit to become settlers upon the land immediately upon their arrival.

" 46. While your Committee regard colonisation as the chief remedy for a congested population such as exists in the districts above mentioned, they cannot but think that encouragement should be given to the young men to emigrate, before by marrying or if already married, before settling in an overcrowded area, they contribute to and increase the existing cost. It it stated that in Lewis there are more than 2,000 such persons who have no crofts and who in the present state of matters have no hope of getting any. They are for the most part naval reserve men, and obtain from this source about 10 *l.* a year, while they obtain about an equal sum by fishing in summer. These young men would be desirable emigrants, and could be much more economically emigrated before they have married and become fathers of families on their insufficient means.

" 47. Your Committee feel bound to acknowledge specially among the evidence afforded by many experienced witnesses that given by Sir Robert Herbert, the Under Secretary of State for the Colonies, who adds practical colonial experience to his extensive official knowledge, and by the Agents General for the Colonies, as well as by the Governor of Western Australia, all of whom spoke from personal observation and with great candour.

" 48. Your

"48. Your Committee will now deal particularly with that branch of the Reference, the means by and the conditions under which emigration or colonisation can be best carried out, and the quarters to which it can most advantageously be directed. With regard to the colonies in which any large scheme of colonisation would seem possible or desirable, your Committee would again refer to the Paper in Appendix No. 1. In that summary it is stated that no witness from Natal has given evidence, but the last witness called by your Committee was Mr. Peace, Emigration Agent for Natal, who was absent from this country when the agents of the other colonies were called, and whose employment in that capacity for nine years renders his evidence valuable. Although, in the opinion of your Committee, that evidence discourages the idea that Natal is a colony suitable for the colonisation of the class for whom some special provision requires to be made, it contains suggestions well deserving of consideration, especially with regard to the emigration of children, chargeable to the public, but at an age when they have not received the stamp of pauperism.

"49. Considering the results of the recent experiments of the State-aided colonisation of Highland crofters in Canada, and the estimates of many representative witnesses, it appears that whereas it used to be thought that 120 *l.* was enough to transport and to settle a family, even with a free grant of agricultural land, and that this sum could certainly be repaid in the course of a few years, experience and more recent estimates do not justify that assumption. Some of the experiments that have taken place have failed because the limit of money was too narrow, and it seems that from 150 *l.* to 180 *l.* is more near to the cost which it must be assumed that each family will involve. Even a higher estimate is given by some witnesses with reference to certain fields for colonisation.

Grahame, 2015 (1890). Oliver, 2146 (1890). Colmer, 5944-5 (1890). Edwards, 3721-2 (1890). Broome, 22-3 190 (1890). Campbell, 378-80 (1890). Parker, 518-9 (1890). Samuel, 922 (1890). White, 2887 (1890).

"50. Again, the certainty of repayment appears to be open to some question. No doubt it will take place in many cases, but in many the colonist will take advantage of more attractive labour markets near at hand, and will abandon his allotment and his obligations at the same time. It is impossible to provide by any system of securities against the frequent recurrence of this accident, and the probability of its occurring should form part of the calculations of those by whom such schemes are entertained. The Treasury has on more than one occasion entered into lengthened negotiations, and, finally, promising enterprises have been frustrated by its insisting upon what it conceived to be complete securities for the advances which it was expected to make, and for the interest to accrue upon them. Experience shows that this end is unattainable, and it would much simplify the question to be considered, and facilitate the efforts of those by whom colonisation is to be undertaken, if this fact were clearly acknowledged. The co-operation of the Treasury will only be advantageous if it be given with fair liberality, with the acceptance of a certain possible, or even positive, loss, and certainly without an ideal insistance upon securities and conditions. If Parliament is not prepared to spend the money necessary for the purpose on these terms, the matter would be more profitably left to private enterprise altogether; and, seeing the great difficulty of assessing the probable amount of deficiencies, your Committee are disposed to think that if a certain actual grant per head, without repayment, would enable Colonial Governments or companies to undertake the charge and risk of colonisation or emigration upon due conditions and under due supervision, the position of the Government and Parliament would in most cases be more satisfactory.

Hodgkin, 2377-8, 2576-8 (1890). Tuke, 3409, 3642-7 (1890). Rankin, 1973 (1890). Cochran-Patrick, 8-24 (1889). Bell, 1148-9 (1890).

"51. Objections have been made to the granting of public money to assist the profits of a commercial undertaking; but the employment of such agencies for public purposes has often been found to be convenient and economical. At one period foreign mails were conveyed in Government packets, but for many years it has been found more advantageous to pay to merchant steamers fixed sums on condition of the mails being carried as a part of the cargo at certain minimum rates of speed and fixed dates of despatch. Otherwise mail packages are forwarded by merchant ships at a certain rate of freight but without specification of time. Your Committee see no valid reason why, if Government can be satisfied that a company is in a position to send out as colonists some portion of the population whom it may be desirable to remove, with their own consent, to another part of Her Majesty's dominions, its services should not be taken advantage of, and paid for.

"52. Indeed, it was found necessary to do this in the case of the crofters sent to Canada in 1888, for the Government agency being unprepared to receive and forward them to their destination to Canada, they were only relieved from considerable hardship by the machinery of the North West Company being taken advantage of. It is difficult to see why it would be felt proper to pay to a company the cost of the whole journey from this country to the destination of emigrants than of a section of it; nor, if a company is prepared to convey and instal the colonists upon proper conditions, Government should not contract with it do so, either upon terms of repayment of the advance of the whole cost, or of the permanent grant of a portion of such cost.

[C. 5403] (1888).

"53. Your Committee are not disposed to pronounce decisively between the comparative merits of State-aided or commercial colonisation. The commercial principle ought to enter into all such transactions, that is to say, it is desirable in the interest neither of the public nor of individuals that a population should be artificially expatriated, without due consideration of the material gain to the communities to be relieved or to be supplied. The most wholesome process is the most natural, viz., where supply meets demand, or where surplus finds vent in a

vacuum seeking replenishment, spontaneously or with voluntary assistance; and of such character, as has been shown, has been by far the largest portion of the emigration from all parts of the United Kingdom, and notably from Ireland.

"54. But sections of the population, excessive yet inert, may, as your Committee have demonstrated, require a helping hand to escape from a condition of hopeless despondency, and to gain fresh opportunities of livelihood. The world offers many refuges to the enterprising emigrant; he can choose among many British colonies and among many foreign lands; to the State but few are now open, and these are rapidly being filled up. Your Committee think that the co-operation of no well-appointed agencies should be rejected, whether they be offered by the Governments of colonies desiring industrial population for their unoccupied areas, or by associations, commercial or benevolent, which can satisfy the constituted authorities of this country that they are able and ready to offer the means of achieving independence to those who cannot hope to enjoy it at home.

"55. No instance, as in the case already stated, has been brought to the notice of your Committee of a company accomplishing colonisation with financial success in the absence of some assistance, either in the shape of free passage or of free grants of land. The Colonists Aid Corporation, in terms of an agreement with the Government of New Zealand, brought out and settled permanently 3,000 persons on an estate, already referred to as the Feilding Settlement, of 105,000 acres, with a profit of over 5 per cent. to the shareholders for a period of fifteen years, the land costing them 15 *s.* an acre in an unimproved state, and requiring twice that sum per acre for development previous to sale; the only extraneous assistance they received being the payment of the actual passage of the colonists at 16 *l.* a head. A large number of the persons brought out were married, with children. If a similar scheme could be carried out as was proposed by the New Zealand Government in 1885, for a crofter settlement in the province of Dunedin, at no greater cost to the British public, it would seem a more satisfactory solution than the problematical refund of a sum ten times greater. At all events, the experiment seems to be worth trying, whether alone or simultaneously with one entirely State-worked.

Feilding, 1510 *et seq.* (1890).

Bell, 1148 (1890).

"56. Your Committee are of opinion that the success of the Canadian experiment is sufficiently established to justify a further despatch of a moderately numerous party; that is to say, that if a sufficient number of suitable families offered themselves as colonists on the same conditions as governed the despatch in 1888 and 1889, arrangements should be made for their settlement on the lands open to them. It is now accepted that such colonists as the crofters ought not to be segregated in a country to which they are unaccustomed, but be distributed in settlements where they would have the benefit of the example and experience of others. On the other hand, they must to some extent be placed in groups of families so as to lessen the costs of the visits of the Government agents.

"57. Complaints were made at the time of their settlement, and have lately been repeated, of the hardships which some of these settlers suffered, especially those of 1888, on their first arrival. These do not appear to your Committee to have been greater than have often been undergone by newly-arrived emigrants all over the world, but, such as they were, they would doubtless be avoided in the light of the experience that has been gained, in case of a further despatch of settlers of the same class.

Clark, 593 (1891).

"58. Moreover, any other crofter colonists would be better informed of the circumstances of the new country to which they were going by the letters of their predecessors, and by the particulars which should be accurately furnished to them of the conditions of their settlement and of the equipment which they should take with them. There is some reason to believe that those who were sent out in 1888 and 1889 formed undue expectations of the continuance of Government aid beyond the limits of the scheme.

(1891), 52.

"59. Your Committee are impressed by the extreme desirability of rescuing the crofter population of the congested districts from the habitual expectation of external and extraordinary aid, which for a long period has been rendered necessary by their lamentable condition, and which cannot but have an enervating and demoralising effect. It is therefore most important that the measures to be taken shall be so effectual as to give hope that the excessive numbers of the population shall be reduced and that those who remain shall be in a position to be self-supporting, with the usual exceptions of those who are incapacitated by age or infirmity. In such a country as Scotland, which has dispensed with an able-bodied poor law, it is inconceivable that a small section of the population should be permanently in a state of dependence and distress.

"60. The misfortune above mentioned would follow the colonists to their new homes, unless the principles of independence and self-reliance were the basis of their settlement. In this sense a witness who is well acquainted with the present condition of the Manitoba and Assinoboia colonists urged the desirability, in case of future colonisation of the crofters, of leaving them to supply themselves by ordinary methods with the necessaries of life, instead of serving out rations, whereby they are kept in a position of dependence. Your Committee further think that the well-intentioned visits and inquiries of persons interested in their condition may tend to delay their reliance on their own efforts, and encourage their expectation of additional relief.

Eden (1891), 13.

332. "61. Already, as in 1851, Sir John M'Neill reported that 'the accounts received from the persons who have recently gone out' (from the Hebrides) 'to Canada are, on the whole, cheering

cheering and gratifying, so the crofter settlers of 1888, at Killarney in Manitoba, are in the enjoyment of plenty; and those of 1889, at Saltcoats, who remained on their holdings, though their first year was a bad one, are doing well.'

" 62. At the same time your Committee have confined themselves to the recommendation that a further experiment should only be made on a moderate scale; that is to say that, as 43 families were sent out in 1888 at a cost of 2,600 *l.*, which sum it has been subsequently found necessary to increase, and 49 more in 1889, making a total of 282 persons, a further experiment might be made by sending parties not exceeding in the aggregate 100 families. 217, 218. 337. Lord Aberdeen Dr. Clark.

" 63. Your Committee do not recommend a larger number at present, not from any doubt of the practicability of the scheme, but because they do not think that the experiment should be more extensively tried until the ability of the crofter colonists to fulfil their engagements has been tested by their repayment of the first instalments due by them in 1892, and because they think that the instrumentality of some of the many schemes should be allowed free play, whether in Canada proper, British Columbia, Australasia, or elsewhere, together with a trial of the expedient of migration, should the board, which they have elsewhere suggested, be established by Parliament, and find an opportunity for its trial. But it must be understood that the initial outlay for each family cannot be estimated at less than 180 *l.*; 150 *l.* for even the less costly of these two methods, and in many cases that sum would have to be still further increased. McNeill (1889), 351-361.

" 64. The proposals of the Government of British Columbia have much to recommend them. Under an Order of the Governor in Council a Commissioner was appointed in 1889 to submit to Her Majesty's Government a scheme under which, experimentally, and advance of 150,000 *l.* would be made by the Treasury, to bear interest at the rate of 2¾ per cent. (but the interest for the first five years to be added to the capital sums), until repayment by the Government of British Columbia, who would guarantee the repayment of principal and interest. With the funds, &c., provided it is proposed to take out gradually 1,250 crofter families, and to settle them on locations variously suited for agriculture, fruit culture, and sea fishing. Mr. Begg's negociation advanced so far that in 1888 the Treasury were apparently willing to grant the sum asked, but on more onerous conditions, which the Colonial Government did not see its way to accept. The appointment of the Committee of 1889 threw this and other schemes into abeyance, and the Agent has been ever since in a state of expectancy of its judgment on his project. *See* Appendix, Begg. 3087, (1890).

" 65. That project presents the rare recommendation that it demands from the public purse or from local fund no assistance beyond the Imperial Loan, the repayment of which is guaranteed by a solvent and promising Province, which seems to possess ample resources for the settlement of a large population. In the respects of climate and seaboard it is well suited for the reception of a class accustomed both to land and sea pursuits. In many particulars the requisite machinery is incomplete, but your Committee see no reason to doubt that the enterprise of the Colonial Government would soon supply what is deficient, aware, as they would be, that the success of their undertaking would depend upon their very first shipments of emigrants being well selected and well provided for in every way. Your Committee think that in no way could the object recognised as necessary be obtained with less outlay or risk to the national exchequer, and they can conceive of many considerations in which the colonisation of British Columbia by a maritime population would appear to be desirable in the interests of the British Empire. They do not think that by any one scheme the adequate relief of the congested districts can be attained; and they recommend the offer of the Government of British Columbia to the early and favourable consideration of Her Majesty's Government and Parliament. Begg, 3292-3.

" 66. Your Committee would then recommend that measures should be taken for the relief of the crofter districts similar to those which have been proposed by Her Majesty's Government in regard to the congested counties of Ireland. In the absence of such a convenient resource as the Irish Church surplus, funds should be provided by Parliament; but fortunately a much smaller sum would be necessary, say a grant to be operated upon by the Colonisation Board of 15,000 *l.* a year for 10 years. Your Committee would suggest amendments of the Crofter Act of 1886, analogous to those of the Land and Congested Districts (Ireland) Bill, as far as they may be applicable. For example,—

" (1.) As by Clause 13 of that Bill it is proposed that certain Unions and Electoral Divisions shall be formed into 'Congested Counties' for the purposes of the Act, it is proposed that in Scotland the 'Congested Districts' would be naturally those defined by the Crofter Act.

" (2.) As by Clause 12 the Church Surplus Fund will yield a grant; for Scotland there would be 'such sums as may be voted by Parliament.'

" (3.) A levy upon the county or parish might in like manner be made as a condition of the Parliamentary Grant; but power should be reserved to the Treasury to dispense with such levy, where, as in Lewis, the poor rates, though inadequate to give sufficient relief, are already so heavy as to preclude additional burdens.

" (4.) As by Clause 16 restrictions are to be laid on the sale of holdings in congested districts with a view to amalgamation, so power might be given to purchase holdings for the purpose of migration, if suitable areas could be found and

circumstances be favourable, and power should be given to assist colonisation emigration and migration; to sell seed, corn and potatoes; to aid local industries (including the making of roads or tramways), and to renew grants to the Scottish Fishery Board for the purposes prescribed by Section 32 of the Crofters' Holdings (Scotland) Act, 1886.

"67. The existing Colonisation Board should be strengthened in order to deal with these purposes, by the addition of three members specially selected, the Under Secretary presiding in the absence of the Secretary for Scotland, and the members specially appointed for colonisation and emigration purposes not voting upon questions arising under the provisions set forth in Clause 16 of the Irish Bill aforesaid.

"68. Proposals with reference to the congested districts of Ireland being already before Parliament in the Bill above mentioned, it does not appear to your Committee necessary to make any suggestions in respect of them; but the foregoing remarks as to the employment of companies would be equally applicable to projects of colonisation under that Bill.

Peace, 1879,

"69. There is another species of congested population whose misery is often very great, and which seems to cry out for assistance even more than the Celtic districts of the kingdom, namely, the congestion which takes place in our large towns, and notably in the Metropolis. The evidence taken hardly exhausts this difficult problem. The Committee are not at present in a position to offer any solution of it. It presents few of the features of congestion of the other kind. The population in question have no attachment to the soil, no indisposition to move, no excessive tendency towards natural multiplication. On the other hand they have not, as a rule, the vigour or the fitness for rural industries which make good colonists of the congested populations of Ireland and Scotland. They are in London because they can get no employment anywhere else. They are part of the great migration which fills London from all portions of the country, and they are selected mainly by their incapacity for profitable labour from whatever cause.

Lucas, 1767 (1889).

Peace, 631 (1891).

"70. They are the last species of population that foreign countries or colonies would wish to receive; and their agricultural industry, at least at first, is likely to be so unremunerative as to furnish no security whatever for any advances that may be made to them. Whatever course Parliament may think fit to adopt with respect to them, it will probably be decided by other investigations than those which have occupied this Committee. It will certainly be in no way affected by the principles on which it may be thought wise to deal with the congested districts of Ireland and Scotland.

"71. It may be hoped that by the exercise of the new powers with reference to emigration and colonisation conferred by the Local Government Acts, some of those who could migrate to the large centres of population, not on account of their incapacity, but by reason of the superfluity of labourers in their particular industries, may be guided to new fields of labour; while among those who have gravitated to such centres and have not found sufficient employment, but who have not lost their early aptitudes, the County Councils of those places may by similarity save them from falling into the ranks of the pauper class.

Lucas (1889) 1344, &c.

App. No. 8 (1889).

1350.

1347.

1352, &c.

"72. The attention of the Committee has been called to the Emigrants' Information Office. which was instituted in 1886, in order to give useful and trustworthy information as to the British Colonies to those who might wish to emigrate from this country. It is managed by a committee consisting of some well-known gentlemen interested in emigration; some representatives of the emigration societies, three workmen's representatives, two members of the Colonial Office, a former member of the Emigration Board, and some others, all af whom give gratuitous service. The nominal chairman is the Secretary of State for the Colonies, the acting chairman is Mr. Charles Lucas, of the Colonial Office, who appears to take a warm and intelligent interest in the work. It was not intended that the Government should accept responsibility for the informatien issued, but it grants 500 *l.* a year for the staff, 150 *l.* for rent and maintenance, as well as free postage and printing. The office does not encourage or discourage emigration; its object is to ascertain and publish facts. To this end it issues quarterly a poster, which is put up in all the post offices of the United Kingdom; quarterly circulars as to the cost of passage, the rates of wages, and the prospects generally for emigrants to Canada, the Australasian and the South African Colonies, handbooks of various kinds, and maps. These are compiled from official returns, from answers to inquiries made of selected correspondents, belonging to various classes, and from the personal observation of the editor and of members of the committee. This information not only can be obtained at the office, where at least 1,300 inquiries are made in a single quarter of a year, but is disseminated through the Post Office, through workmen's clubs and the free public libraries, through the clergy, the registrars, the boards of guardians, the inspectors of poor in Scotland, and the Poor Law Unions in Ireland; various societies, such as co-operative, trade, charity organisation, emigration, &c., chambers of commerce, newspapers, and private persons.

"73. It has lately been found necessary, also, to furnish information regarding the tropical colonies, the Transvaal, and the Argentine Republic.

"74. It appears to your Committee that the design and management of this office is admirable, that probably no more valuable and efficient work was ever done at so small a cost to the public, and that this satisfactory result is mainly due to the business-like character of the direction and to the philanthropic spirit which animates its members. Information so obtained and

and diffused must largely tend to prevent intending emigrants from being misled by specious representations, and their scanty means from being wasted by ill-chosen enterprises.

" 75. Wide, however, as is the field already reached by the publications of the office, it is evident that to render it thoroughly effective its funds should be increased, so as to enable branch offices to be opened in Ireland, in Scotland, and in some of the large provincial towns. This want may be partially supplied by alliance with the Imperial Institute, to which commercial and scientific information particularly might be supplied, and by the Congested Districts Board proposed to be established in Ireland. But, for obvious reasons, it is not desirable to connect the provincial branches with the Poor Law Organisation. 1390, &c. App. No. 8.

" 76. Your Committee would thus sum up their conclusions :—

" That they have no grounds for thinking that the present condition of the United Kingdom generally calls for any general scheme of State-organised emigration :

" That existing powers in possession of local authorities are sufficient to enable them at no onerous risk to assist in the colonisation or emigration of persons or families from their own localities ; but that, at all events, the provisions of the Local Government Acts for England and Scotland for that purpose should in the first place have a fair trial :

" That the congested districts of Ireland and of the Highlands and Hebrides require relief by assistance to industries, to colonisation or emigration ; and where suitable to migration.

" That the provisions proposed in the Land and Congested Districts (Ireland) Bill are ample for these purposes :

" That provisions similar to some of the foregoing should be made for the crofter districts of Scotland :

" That a permanent Board under the Presidency of the Secretary for Scotland should be created for purposes of colonisation and emigration.

" That the power of enlarging crofters' holdings in that Act should be kept alive :

"That crofts vacated by emigration or migration should be added to existing holdings without power of subdivision :

" That the experiment of colonising the crofter population in Canada should be further tried :

" That the proposals of the Government of British Columbia should be entertained :

" That similar proposals from any Colonial Goverment based upon the repayment of advances by colonisation should be entertained.

" That the agency of companies for colonisation and emigration should be taken advantage of, both as regards the aforesaid colonisation in Canada and elsewhere :

" That the Government grant to the Emigrants' Information Office should be increased."

Question, That the Draft Report proposed by the *Chairman*, be read a second time, paragraph by paragraph,—put, and *agreed to*.

Paragraphs 1—2, *agreed to*.

Paragraphs 3—6, amended, and *agreed to*.

Paragraphs 7—9, *agreed to*.

Paragraph 10, amended, and *agreed to*.

Paragraph 11, amended.—Question, That the paragraph, as amended, stand part of the Report.—The Committee divided :

Ayes, 6.	Noes, 10.
Mr. Campbell-Bannerman.	Sir George Baden-Powell.
Mr. Munro Ferguson.	Mr. Gerald Balfour.
Mr. Osborne Morgan.	Dr. Clark.
Mr. Rankin.	Mr. Hobhouse.
Mr. Rathbone.	Mr. Loder.
M. Seton-Karr.	Mr. James Maclean.
	Mr. William M'Arthur.
	Colonel Malcolm.
	Mr. Schwann.
	Mr. Wodehouse.

Paragraph 12, *agreed to*.

Paragraph 13.—Amendment proposed, in line 3, to leave out from the word "yet" to the word "require" in line 5—(Mr. *Rankin*).—Question put, That the words proposed to be left out stand part of the paragraph.—The Committee divided:

Ayes, 6.	Noes, 10.
Sir George Baden-Powell.	Mr. Gerald Balfour.
Mr. Campbell-Bannerman.	Mr. Hobhouse.
Dr. Clark.	Mr. Loder.
Mr. Munro Ferguson.	Mr. William M'Arthur.
Mr. James Maclean	Mr. Osborne Morgan.
Colonel Malcolm.	Mr. Rankin.
	Mr. Rathbone.
	Mr. Schwann.
	Mr. Seton-Karr.
	Mr. Wodehouse.

Another Amendment proposed, in line 5, to leave out from the word "The" to the word "deal," in line 10—(Mr. *William M'Arthur*).—Question put, That the words "The evidence they have received has not shown any extensive measure of emigration is at present necessary for the greater part of the United Kingdom," stand part of the paragraph.—The Committee divided:

Ayes, 11.	Noes, 5.
Sir George Baden-Powell.	Mr. Gerald Balfour.
Mr. Campbell-Bannerman.	Dr. Clark.
Mr. Munro Ferguson.	Mr. Loder.
Mr. Hobhouse.	Mr. William M'Arthur.
Mr. James Maclean.	Mr. Seton-Karr.
Colonel Malcolm.	
Mr. Osborne Morgan.	
Mr. Rankin.	
Mr. Rathbone.	
Mr. Schwann.	
Mr. Wodehouse.	

Question, That the words "and therefore the general question of attempting to transfer by administrative action to other parts of Her Majesty's dominions, to foreign countries, or to newly opened regions, the surplus population is one with which your Committee do not feel themselves called upon to deal," stand part of the paragraph,—put, and *negatived*.

Paragraph, as amended, *agreed to*.

Paragraph 14.—Amendment made.—Another Amendment proposed, in line 5, after the word "adoption" to insert the words "at present"—(Mr. *Seton-Karr*).—Question put, That those words be there inserted.—The Committee divided:

Ayes, 5.	Noes, 11.
Sir George Baden-Powell.	Mr. Gerald Balfour.
Sir John Colomb.	Mr. Campbell-Bannerman.
Mr. Rankin.	Dr. Clark.
Mr. Rathbone.	Mr. Hobhouse.
Mr. Seton-Karr.	Mr. Loder.
	Mr. James Maclean.
	Mr. William M'Arthur.
	Colonel Malcolm.
	Mr. Schwann.
	Mr. Wodehouse.
	Mr. Munro Ferguson.

Another Amendment proposed, in line 6, to leave out the words "or the institution of machinery to meet it"—(Mr. *Rankin*).—Question put, That the words proposed to be left out stand part of the paragraph.—The Committee divided:

Ayes, 7.	Noes, 9.
Mr. Campbell-Bannerman.	Sir George Baden-Powell.
Dr. Clark.	Mr. Gerald Balfour.
Mr. Munro Ferguson.	Sir John Colomb.
Mr. James Maclean.	Mr. Hobhouse.
Mr. William M'Arthur.	Mr. Loder.
Colonel Malcolm.	Mr. Rankin.
Mr. Schwann.	Mr. Rathbone.
	Mr. Seton-Karr.
	Mr. Wodehouse.

Another

Another Amendment proposed, in line 6, to leave out from the second word "the" to the word "absent" in line 9—(Mr. *Gerald Balfour*).—Question put, That the words "the varied organisations" stand part of the paragraph.—The Committee divided:

Ayes, 4.	Noes, 13.
Sir George Baden-Powell.	Mr. Gerald Balfour.
Mr. Rankin.	Mr. Campbell-Bannerman.
Mr. Rathbone.	Dr. Clark.
Mr. Seton-Karr.	Sir John Colomb.
	Mr. Munro Ferguson.
	Mr, Hobhouse.
	Mr. Loder.
	Mr. James Maclean.
	Mr. William M'Arthur.
	Colonel Malcolm.
	Mr. Osborne Morgan.
	Mr. Schwann.
	Mr. Wodehouse.

Question, That the words "already existing and the experience gained by emigration societies such as Mr. Tuke's Fund, the Self Help, &c., would doubtless, at such a period be found valuable, and supply methods which in former times were absent," stand part of the paragraph,—put, and *negatived*.

Other Amendments made.

Another Amendment proposed in line 11 after the word "Parliament" to insert the words "except as regards possessions directly under the control of the Imperial Government"—(Sir *John Colomb*).—Question, That those words be there inserted,—put, and *negatived*.

Paragraph, as amended, *agreed to*.

Paragraph 15, amended, and *agreed to*.

Paragraph 16.—Amendments made.—Another Amendment proposed, in line 8, to insert the words, "With respect to the guarantee the only 'local authority' that can be expected to give it is a Poor Law Authority, and the intervention of such an authority in a scheme of emigration or colonisation is not likely to render it acceptable to the Government either of a colony or a foreign country. There seem also to be great difficulties in a county or borough council obtaining a guarantee directly from the Government of a colony. For these reasons your Committee consider that the necessity of obtaining such a guarantee will be a serious obstacle in the way of county councils carrying out this work, and they recommend that the necessity for a guarantee be abolished"—(Mr. *Hobhouse*).—Question proposed, That those words be there inserted.

[The Committee adjourned till Friday next, at One o'clock.

Friday, 13*th March* 1891.

MEMBERS PRESENT:

Sir JAMES FERGUSSON in the Chair.

Mr. Seton-Karr.	Mr. Munro Ferguson.
Mr. Hobhouse.	Mr. Wodehouse.
Mr. Rankin.	Mr. Campbell-Bannerman.
Mr. William M'Arthur.	Mr. Rathbone.
Dr. Clark.	Sir George Baden-Powell.
Sir John Colomb.	Mr. Gerald Balfour.
Mr. James Maclean.	Colonel Malcolm.
Mr. Osborne Morgan.	Mr. Loder.

Paragraph 16.—Question again proposed, in line 8, to insert the words, "With respect to the guarantee, almost the only 'local authority' that can be expected to give it is a Poor Law Authority, and the intervention of such an authority in a scheme of emigration or colonisation is not likely to render it more acceptable to the Government either of a colony or a foreign country. There seem also to be great practical difficulties in a county or borough council obtaining a guarantee directly from the Government of a colony. For these reasons your Committee consider that the necessity of obtaining such a guarantee will be a serious obstacle in the way of county councils carrying out this work, and they recommend that the necessity

necessity for a guarantee should be abolished."—Proposed Amendment amended in line 1, by inserting after the word "guarantee" the word "almost."—Question put, That the proposed words be there inserted.—The Committee divided:

Ayes, 11.	Noes, 5.
Mr. Gerald Balfour.	Sir George Baden-Powell.
Sir John Colomb.	Mr. Campbell-Bannerman.
Mr. Munro Ferguson.	Dr. Clark.
Mr. Hobhouse.	Mr. Loder.
Mr. William M'Arthur.	Mr. James Maclean.
Colonel Malcolm.	
Mr. Osborne Morgan.	
Mr. Rankin.	
Mr. Rathbone.	
Mr. Seton-Karr.	
Mr. Wodehouse.	

Another Amendment made.

Paragraph, as amended, *agreed to.*

Paragraph 17, *agreed to.*

Paragraphs 18—19, amended, and *agreed to.*

Paragraph 20, *agreed to.*

Paragraphs 21—22, amended, and *agreed to.*

Paragraph 23, *agreed to.*

Paragraph 24.—Amendment proposed, in line 2, to leave out from the word "and" to the end of the paragraph, in order to add the words, "while, if the owners and occupiers of the lands to which migration takes place are to be fairly compensated, and the migrants properly equipped for success in their new homes, the operation must, in general, prove too expensive to be practicable. In the case of Ireland, Parliament has already offered pecuniary assistance to experiments of migration, and the offer has not up to the present time been taken advantage of"—(Mr. *Gerald Balfour*).—Question put, That the words, "and it is not pretended that it can be accomplished without financial sacrifice, that is to say, that certain areas of land must be withdrawn by legislative act, and at the cost of the community, from purposes which their owners find more profitable," stand part of the paragraph.—The Committee divided:

Ayes, 9.	Noes, 7.
Sir George Baden Powell.	Mr. Gerald Balfour.
Mr. Campbell-Bannerman.	Mr. Loder.
Dr. Clark.	Mr. William M'Arthur.
Sir John Colomb.	Colonel Malcolm.
Mr. Munro Ferguson.	Mr. Rankin.
Mr. Hobhouse.	Mr. Rathbone.
Mr. James Maclean.	Mr. Wodehouse.
Mr. Osborne Morgan.	
Mr. Seton-Karr.	

Another Amendment proposed, in line 5, after the word "profitable," to insert the words "while considerable expense must also be incurred in the proper equipment of the migrants for success in their new homes"—(Mr. *James Maclean*).—Question, That those words be there inserted,—put, and *agreed to.*

Another Amendment made.

Another Amendment proposed, in line 8, to leave out the words, "pecuniary assistance to an experiment"—(Sir *John Colomb*)—in order to insert the words, "50,000 *l.* for purposes."—Question put, That the words "pecuniary assistance to an experiment," stand part of the paragraph.—The Committee divided:

Ayes, 4.	Noes, 11.
Sir George Baden Powell.	Mr. Gerald Balfour.
Mr. Campbell-Bannerman.	Dr. Clark.
Mr. Munro Ferguson.	Sir John Colomb.
Mr. James Maclean.	Mr. Hobhouse.
	Mr. Loder.
	Colonel Malcolm.
	Mr. Osborne Morgan.
	Mr. Rankin.
	Mr. Rathbone.
	Mr. Seton-Karr.
	Mr. Wodehouse.

Proposed words inserted.

Another

Another Amendment made.

Another Amendment proposed in line 10, to leave out the words "It is," in order to insert the words "In dealing with migration, your Committee are generally"—(Mr. *Hobhouse*).—Question put, That the words "It is" stand part of the paragraph,—put, and *negatived*.—Question put, That the proposed words be there inserted.—The Committee divided:

Ayes, 11.	Noes, 4.
Sir George Baden-Powell.	Mr. Campbell-Bannerman.
Mr. Gerald Balfour.	Dr. Clark.
Sir John Colomb.	Mr. Munro Ferguson.
Mr. Hobhouse.	Mr. Osborne Morgan.
Mr. Loder.	
Mr. James Maclean.	
Colonel Malcolm.	
Mr. Rankin.	
Mr. Rathbone.	
Mr. Seton-Karr.	
Mr. Wodehouse.	

Another Amendment made.

Paragraph, as amended, *agreed to*.

Paragraph 25 amended.—Question put, That the paragraph, as amended, stand part of the Report.—The Committee divided:

Ayes, 11.	Noes, 4.
Sir George Baden-Powell.	Mr. Campbell-Bannerman.
Mr. Gerald Balfour.	Dr. Clark.
Sir John Colomb.	Mr. Munro Ferguson.
Mr. Hobhouse.	Mr. Osborne Morgan.
Mr. Loder.	
Mr. James Maclean.	
Colonel Malcolm.	
Mr. Rankin.	
Mr. Rathbone.	
Mr. Seton-Karr.	
Mr. Wodehouse.	

Paragraphs 26—28, *agreed to*.

Paragraphs 29—30, amended, and *agreed to*.

Paragraphs 31—33, *agreed to*.

Paragraph 34.—Amendment proposed, in line 5, after the word "of" to insert the words "generous private expenditure on local improvements and of"—(Sir *George Baden-Powell*).—Question put, That those words be there inserted.—The Committee divided:

Ayes, 7.	Noes, 8.
Sir George Baden-Powell.	Mr. Gerald Balfour.
Sir John Colomb.	Mr. Campbell-Bannerman.
Mr. Hobhouse.	Dr. Clark.
Mr. James Maclean.	Mr. Munro Ferguson.
Mr. Rankin.	Mr. Loder.
Mr. Seton-Karr.	Colonel Malcolm.
Mr. Wodehouse.	Mr. Osborne Morgan.
	Mr. Rathbone.

Paragraph 34, *agreed to*.

Paragraphs 35—36, *agreed to*.

Paragraph 37, *disagreed to*.

Paragraph 38, amended, and *agreed to*.

Paragraphs 39—42, *agreed to*.

Paragraph 43.—Amendment proposed, in line 15, to leave out the words "who brought with them no means of self-support," in order to insert the words "of persons likely to become a public charge on the colony"—(Sir *George Baden-Powell*).—Question put, That the words proposed to be left out stand part of the paragraph.—The Committee divided:

Ayes, 8.	Noes, 7.
Mr. Gerald Balfour.	Sir George Baden-Powell.
Mr. Campbell-Bannerman.	Sir John Colomb.
Dr. Clark.	Mr. Loder.
Mr. Munro Ferguson.	Colonel Malcolm.
Mr. Hobhouse.	Mr. Rankin.
Mr. James Maclean.	Mr. Seton-Karr.
Mr. Osborne Morgan.	Mr. Wodehouse.
Mr. Rathbone.	

Another Amendment proposed, in line 18, after the word "agencies" to insert the words "should adequate occasion arise there might be made available Government contributions, in the shape of capitation fees in aid of emigration societies or in aid of assisted passages to colonies, the Governments of which invite, or would co-operate with, such aid"—(Sir *George Baden-Powell*).—Question put, That those words be there inserted.—The Committee divided:

Ayes, 6.	Noes, 8.
Sir George Baden-Powell.	Mr. Campbell-Bannerman.
Sir John Colomb.	Dr. Clark.
Colonel Malcolm.	Mr. Munro Ferguson.
Mr. Rankin.	Mr. Hobhouse.
Mr. Rathbone.	Mr. Loder.
Mr. Seton-Karr.	Mr. James Maclean.
	Mr. Osborne Morgan.
	Mr. Wodehouse.

Paragraph, *agreed to.*

Paragraph 44, *agreed to.*

Paragraphs 45—47, amended, and *agreed to.*

[Adjourned till Tuesday next, at One o'clock.

Tuesday, 17*th March* 1891.

MEMBERS PRESENT:

Sir JAMES FERGUSSON in the Chair.

Mr. Rankin.	Mr. Hobhouse.
Mr. James Maclean.	Mr. Osborne Morgan.
Dr. Clark.	Mr. Gerald Balfour.
Mr. Campbell-Bannerman.	Colonel Malcolm.
Mr. Loder.	Sir John Colomb.
Sir George Baden-Powell.	Mr. Munro Ferguson.
Mr. Rathbone.	Mr. William M'Arthur.
Mr. Wodehouse.	

Paragraphs 48—49, *agreed to.*

Paragraph 50.—Amendments made.—Another Amendment proposed, in line 16, to leave out from the word "and" to the end of the paragraph—(Mr. *James Maclean*).—Question, That the words "and seeing the great difficulty of assessing the probable amount of deficiencies, your Committee are disposed to think that if a" stand part of the paragraph,—put, and *agreed to.*

Question, That the words "certain actual" stand part of the paragraph,—put. and *negatived.*

Amendment made.—Question, That the words "grant per head" stand part of the paragraph,—put, and *agreed to.*

Another Amendment made.—Question, That the words "without repayment, would enable Colonial Governments" stand part of the paragraph—put, and *agreed to.*

Another Amendment proposed, in line 19, to leave out the words "or companies"—(Dr. *Clark*).—Question put, That the words "or companies" stand part of the paragraph.—The Committee divided:

Ayes, 8.	Noes, 3.
Sir George Baden-Powell.	Mr. Campbell-Bannerman.
Mr. Gerald Balfour.	Dr. Clark.
Mr. Hobhouse.	Mr. James Maclean.
Mr. Loder.	
Mr. Osborne Morgan.	
Mr. Rankin.	
Mr. Rathbone.	
Mr. Wodehouse.	

Another Amendment made.—Paragraph, as amended, *agreed to.*

Paragraph

Paragraph 51.—Amendment made.—Question, That the paragraph, as amended, stand part of the Report.—The Committee divided:

Ayes, 9.	Noes, 4.
Sir George Baden-Powell.	Mr. Campbell-Bannerman.
Mr. Gerald Balfour.	Dr. Clark.
Mr. Hobhouse.	Mr. James Maclean.
Mr. Loder.	Mr. Osborne Morgan.
Colonel Malcolm.	
Mr. Rankin.	
Mr. Rathbone.	
Mr. Seton-Karr.	
Mr. Wodehouse.	

Paragraph 52.—Amendments made.—Another Amendment proposed, at end of the paragraph, to add the words, "We may instance here that an offer of this kind was made by Sir John Lister Kaye, in his evidence, on behalf of the Canadian Agricultural, Coal, and Colonisation Company, to provide ready equipped farms, and place upon them 328 families of crofters or other suitable emigrants, on condition that the Imperial Government advanced 123 *l.* for each family"—(Sir *George Baden-Powell*).—Question, That those words be there added,—put, and *negatived.*

Paragraph 53.—Amendments made.—Another Amendment proposed, in line 6, to leave out from the word "The" to the end of the paragraph—(Mr. *Loder*).—Question put, That the words proposed to be left out stand part of the paragraph.—The Committee divided:

Ayes, 10.	Noes, 3.
Sir George Baden-Powell.	Dr. Clark.
Mr. Gerald Balfour.	Mr. Loder.
Mr. Campbell-Bannerman.	Colonel Malcolm.
Mr. Hobhouse.	
Mr. James Maclean.	
Mr. Osborne Morgan.	
Mr. Rankin.	
Mr. Rathbone.	
Mr. Seton-Karr.	
Mr. Wodehouse.	

Paragraph, as amended, *agreed to.*

Paragraph 54.—Amendments made.—Another Amendment proposed, in line 5, to leave out the words "and these are rapidly being filled up"—(Mr. *Seton-Karr*).—Question put, That the words proposed to be left out stand part of the paragraph.—The Committee divided:

Ayes, 9.	Noes, 5.
Mr. Campbell-Bannerman.	Sir George Baden-Powell.
Dr. Clark.	Mr. Gerald Balfour.
Mr. Hobhouse.	Sir John Colomb.
Mr. Loder.	Mr. Rankin.
Colonel Malcolm.	Mr. Seton-Karr.
Mr. James Maclean.	
Mr. Osborne Morgan.	
Mr. Rathbone.	
Mr. Wodehouse.	

Another Amendment proposed, at the end of the paragraph to add the words "And they are prepared to extend these observations to associations for the assistance of emigration as well as of colonisation"—(Mr. *Rathbone*).—Question, That those words be there added,—put, and *negatived.*

Paragraph, as amended, *agreed to.*

Paragraph 55, amended, and *agreed to.*

Paragraph 56.—Amendments made.—Question, That the paragraph, as amended, stand part of the Report.—The Committee divided:

Ayes, 14.	Noe, 1.
Sir George Baden-Powell.	Dr. Clark.
Mr. Gerald Balfour.	
Mr. Campbell-Bannerman.	
Sir John Colomb.	
Mr. Munro Ferguson.	
Mr. Hobhouse.	
Mr. Loder.	
Mr. James Maclean.	
Colonel Malcolm.	
Mr. Osborne Morgan.	
Mr. Rankin.	
Mr. Rathbone.	
Mr. Seton-Karr.	
Mr. Wodehouse.	

Paragraphs 57—60, *agreed to.*

Paragraph 61.—Amendment proposed, in line 3, to leave out from the word "so" to the end of the paragraph, in order to add the words, "The latest Report of Her Majesty's Commissioners, dated 7th February last, bears ample testimony to the improved and improving condition of the Crofters, settled by State-aid, at Killarney and at Saltcoats. The Commissioners also speak of the 'certainty of their attaining the position in a few years, which will enable them to return the money advanced to them,' and point out as regards the 18 families who left Saltcoats, 'it is evident that they have been doing well in the country, as they could not otherwise have obtained the money to convey their families to the places where they are now residing,' while, as regards the lands they vacated, 'it is expected that the security will very nearly, if not quite, realise the money advanced upon it'"—(Sir *John Colomb*).—Question put, That the words proposed to be left out stand part of the paragraph.—The Committee divided:

Ayes, 12.	Noes, 3.
Sir George Baden-Powell.	Sir John Colomb.
Mr. Gerald Balfour.	Mr. Rankin.
Mr. Campbell-Bannerman	Mr. Seton-Karr.
Dr. Clark.	
Mr. Munro Ferguson.	
Mr. Hobhouse.	
Mr. Loder.	
Mr. James Maclean.	
Colonel Malcolm.	
Mr. Osborne Morgan.	
Mr. Rathbone.	
Mr. Wodehouse.	

An Amendment made.

Paragraph, as amended, *agreed to.*

Paragraph 62, *agreed to.*

Paragraph 63—64, amended, and *agreed to.*

Paragraph 65, *agreed to.*

Paragraph 66—67, amended, and *agreed to.*

Paragraph 68, *agreed to.*

Paragraph 69.—Amendments made.—Another Amendment proposed, in line 11, after the word "country" to insert the words, "and to some extent from abroad"—(Sir *John Colomb*).—Question put, That those words be there inserted.—The Committee divided:

Ayes, 10.	Noes, 6.
Sir George Baden-Powell.	Mr. Campbell-Bannerman.
Mr. Gerald Balfour.	Mr. Munro Ferguson.
Dr. Clark.	Mr. Hobhouse.
Sir John Colomb.	Mr. James Maclean.
Mr. Loder.	Mr. Osborne Morgan.
Mr. William M'Arthur.	Mr. Wodehouse.
Colonel Malcolm.	
Mr. Rankin.	
Mr. Rathbone.	
Mr. Seton-Karr.	

Another Amendment proposed, in lines 11 and 12, to leave out the words "and they are selected mainly by their incapacity for profitable labour from whatever cause," in order to insert the words "and they are impelled largely by want of success elsewhere"—(The *Chairman*).—Question put, That the words proposed to be left out stand part of the paragraph,—put, and *negatived.*

Question, That the proposed words be there inserted,—put, and *negatived.*

Paragraph, as amended, *agreed to.*

Paragraph 70, *agreed to.*

Paragraph 71—74, amended, and *agreed to.*

Paragraph 75.—Amendment proposed, in line 3, to leave out from the word "This" to the end of the paragraph—(Sir *John Colomb*).—Question proposed, That the words "This want" stand part of the paragraph.—Amendment proposed, to leave out the words "This want," in order to insert the words "Its present insufficiency"—(Mr. *Gerald Balfour*).—Question put, That the words "This want" stand part of the paragraph,—put, and *agreed to.*

Amendment

Amendment made.—Another Amendment proposed, after the word "with," at the end of the last Amendment, to insert the words "the Imperial Institute"—(Sir *George Baden-Powell*). —Question put, That those words be there inserted.—The Committee divided:

Ayes, 5.	Noes, 11.
Sir George Baden-Powell.	Mr. Gerald Balfour.
Mr. Monro Ferguson.	Mr. Campbell-Bannerman.
Mr. Loder.	Dr. Clark.
Colonel Malcolm.	Sir John Colomb.
Mr. Rankin.	Mr. Hobhouse.
	Mr. James Maclean.
	Mr. William M'Arthur.
	Mr. Osborne Morgan.
	Mr. Rathbone.
	Mr. Seton-Karr.
	Mr. Wodehouse.

Paragraph, as amended, *agreed to.*

Paragraph 76, *postponed.*

Amendment proposed, That the following new paragraph be inserted in the Report:—

"So far as Parliament is concerned it will be seen, on reference to Papers presented in 1886, that owing to the severe depression of trade then prevailing, and the consequent insufficiency of employment at home for artisans and labourers, various projects of State-aided emigration and colonisation had been put before Her Majesty's Government, both by emigration societies and by individual gentlemen, who had given attention to such subjects. The correspondence that ensued on these proposals between different offices at home and representatives of Colonial Governments will be found in the Papers above-mentioned; and (as they show), although Her Majesty's Government were then unwilling to give State aid to emigration or colonisation, they decided to create a department in connection with the Colonial Office, for the collection and dissemination of trustworthy information respecting the prospects of emigrants to the British Colonies and elsewhere. In pursuance of that decision an Emigrants' Information Office was established, of which fuller mention will be made in a later part of this Report.

"The question took a still more practical form in February 1887, when a voluntary Colonisation Committee was formed of 32 Members of the House of Lords and 135 Members of the House of Commons. The results of the proceedings of that Committee are set out in the Papers handed in by Mr. Seton-Karr, one of its honorary secretaries, and a Member of your Committee. These papers contain six colonisation schemes that were examined and tabulated by the Voluntary Committee; a summary of the replies of the representatives of Canada and the Australian Colonies (who visited England in 1887 for the purpose of attending the Colonial Conference) to questions put by the Voluntary Committee; and the Memorandum of the said Committee setting forth the scheme they recommended, with an outline of the principles on which the scheme is based. The replies of the representatives of Canada, West Australia, and Tasmania were in favour of the principle of State-aided colonisation; those of the representatives of Canada, West Australia, Victoria, Queensland, and Tasmania state that a large area of land in their respective colonies is available for colonisation purposes.

"Among the schemes of colonisation that engaged the attention of Her Majesty's Government at this time was one prepared by Mr. Kimber, M.P., and, in a Circular Despatch, dated the 1st September 1887, and addressed to the Governors of various colonies, the Secretary of State for the Colonies invited from them expressions of opinion on Mr. Kimber's scheme. The replies received from the Colonial Governments were, for the reasons severally stated by them, practically adverse to the adoption of the scheme.

"In May 1888, the memorandum of the Voluntary Colonisation Committee above referred to was, in a similar manner, at their request submitted by the Secretary of State for the Colonies to our various Colonial Governments. The replies received were laid on the Table of the House of Commons during the Session of 1889. Those received from the Governments of the Cape of Good Hope, South Australia, Victoria, New Zealand, Tasmania, Queensland, and New South Wales were unfavourable; these Governments stating that either no land was available for colonisation in their particular colonies on the terms suggested, or that it was all required for the colony itself.

"On the other hand, the Governor and Executive Council of Natal expressed a general approval of the scheme, subject to modification in certain particulars; the Governor and Executive Council of Western Australia thought that some such project might very well be put in operation in the south-western district of that colony, if it were conducted with great care and consideration; the Ministry of Newfoundland expressed a willingness to make free grants of land to settlers under their Crown Lands Acts; and the Ministry of the Canadian Dominion, while they declined the responsibility of being represented on a Colonisation Board charged with the duty of making advances to settlers, and of making collections in the form of rent-charges from them, saw no objection to the proposals of the Colonisation Committee as a

method for promoting emigration from the United Kingdom to Canada, and were prepared to give all facilities, under the Dominion Lands Act, to these proposals, and free grants of land.

"It may here be pointed out that Mr. Kimber's scheme differed essentially from that of the Voluntary Colonisation Committee, in that it suggested a pecuniary liability or guarantee on the part of Colonial Governments, which the latter, except in the case of the Government of British Columbia, hereafter referred to, have always declined. The pivot of the scheme of the Voluntary Colonisation Committee is the guarantee of interest by the Imperial Government, and it contains no suggestion for any pecuniary liability whatever on the part of Colonial Governments. For this reason their scheme met with a more favourable reception"—(Mr. *Seton-Karr*).—Question proposed, That the proposed new paragraph be inserted in the Report.

Amendment proposed to proposed Amendment, in line 11, to leave out from the word "and" to the end of the proposed new paragraph, in order to insert the words, "and, accordingly, an Emigrants' Information Office (to which further reference will be made in this Report) was established in 1886. Early in the following year 32 Members of the House of Lords, and 135 Members of the House of Commons, formed themselves into a Committee to promote State-directed colonisation; and information respecting the proceedings of that Colonisation Committee is supplied by Papers handed in by one of its honorary secretaries, Mr. Seton-Karr, who is a member of your Committee. Those Papers contain a table of six colonisation schemes which had been examined and considered by the Colonisation Committee; a summary of the replies to questions addressed by the Committee to the representatives of Canada and the Australian Colonies at the Colonial Conference held in 1887; and a memorandum setting forth the scheme of colonisation which the Committee recommended, with an outline of the principles on which it was based. In that same year (1887), the Secretary of State for the Colonies invited expressions of opinion on a scheme of colonisation prepared by Mr. Kimber, M.P., from the Governments of Colonies under responsible government, and of Natal; and in 1888 the Secretary of State pursued a similar course with regard to the scheme recommended by the Colonisation Committee. Mr. Kimber's proposals included an undertaking of pecuniary liabilities on the part of Colonial Governments, and for this reason (among others) his scheme was not viewed with favour by the Governments to whom it was submitted. The scheme of the Colonisation Committee did not seek to impose any pecuniary liabilities on Colonial Governments, but a guarantee of interest by Her Majesty's Government on capital to be subscribed by the public for investment by a Colonisation Board was avowedly the pivot of its working. The replies received from the Governments of the Cape of Good Hope, South Australia, Victoria, New Zealand, Tasmania, Queensland, and New South Wales, were unfavourable to the scheme of the Colonisation Committee; for reasons, severally stated by them, they pronounced it to be inapplicable to the circumstances of their respective colonies. On the other hand, the Government of Natal expressed a general approval of the scheme, subject to modification in certain particulars; that of Western Australia thought that some such project might very well be put in operation in the south-western district of that colony, if it were conducted with great care and consideration; that of Newfoundland expressed a willingness to make free grants of land to settlers under their Crown Lands Acts; and the Government of the Canadian Dominion saw no objection to the scheme as a method for promoting emigration from the United Kingdom to Canada, though they declined the responsibility of being represented on a Colonisation Board charged with the duty of making advances to settlers, and of making collections in the form of rent-charges from them"—(Mr. *Wodehouse*).—Question put, That the words proposed to be left out stand part of the proposed new paragraph.—The Committee divided:

Colonisation, C. 5361, 1888.
Colonisation, 106, 282, and 314, 1889.

Ayes, 5.	Noes, 10.
Sir George Baden-Powell.	Mr. Gerald Balfour.
Sir John Colomb.	Mr. Campbell-Bannerman.
Mr. Rankin.	Dr. Clark.
Mr. Rathbone.	Mr. Monro Ferguson.
Mr. Seton-Karr.	Mr. Hobhouse.
	Mr. Loder.
	Mr. James Maclean.
	Mr. William M'Arthur.
	Colonel Malcolm.
	Mr. Wodehouse.

Question put, That the proposed words be there inserted.—The Committee divided:

Ayes, 7.	Noes, 8.
Sir George Baden-Powell.	Mr. Campbell-Bannerman.
Mr. Gerald Balfour.	Dr. Clark.
Mr. Hobhouse.	Sir John Colomb.
Mr. Loder.	Mr. Monro Ferguson.
Mr. Rankin.	Mr. James Maclean.
Mr. Rathbone.	Mr. William M'Arthur.
Mr. Wodehouse.	Colonel Malcolm.
	Mr. Seton-Karr.

Question, That the proposed new paragraph, as amended, be inserted in the Report,—put, and *negatived*.

Amendment

Amendment proposed, That the following new paragraph be inserted in the Report:—"Your Committee would recommend that some form of organisation either in connection with the Board already proposed for Ireland and Scotland, or otherwise, should be established for England and Wales, so that if in times of distress a necessity for emigration or colonisation should arise, the waste and demoralisation which has often accompanied schemes adopted in haste and under pressure be obviated"—(Mr. *Rathbone*).—Question put, That this paragraph be inserted in the Report.—The Committee divided:

Ayes, 5.	Noes, 10.
Sir George Baden-Powell.	Mr. Gerald Balfour.
Sir John Colomb.	Mr. Campbell-Bannerman.
Mr. Rankin.	Dr. Clark.
Mr. Rathbone,	Mr. Munro Ferguson.
Mr. Seton-Karr.	Mr. Loder.
	Mr. William M'Arthur.
	Colonel Malcolm.
	Mr. Wodehouse.
	Mr. James Maclean.
	Mr. Hobhouse.

Amendment proposed, That the following new paragraph be inserted in the Report:—"Your Committee would also suggest that in case of need a Board of Emigration and Colonisation should be established for England and Wales upon the lines adopted for the existing Board for Scotland"—(Mr. *Rankin*).—Question put, That this paragraph be inserted in the Report.—The Committee divided:

Ayes, 10.	Noes, 5.
Sir George Baden-Powell.	Mr. Campbell-Bannerman.
Mr. Gerald Balfour.	Dr. Clark.
Sir John Colomb.	Mr. Munro Ferguson.
Mr. Hobhouse.	Mr. James Maclean.
Mr. Loder.	Mr. William M'Arthur.
Colonel Malcolm.	
Mr. Rankin.	
Mr. Rathbone.	
Mr. Seton-Karr.	
Mr. Wodehouse.	

Postponed paragraph 76.—Amendment made.

Another Amendment proposed, in line 3, after the word "emigration," to insert the words "Nor do they believe that in the present state of the bulk of colonial opinion any scheme of State organised emigration could be successfully instituted"—(Mr. *William M'Arthur*).—Question, That those words be there inserted,—put, and *negatived*.

Another Amendment proposed, in line 3, after the word "emigration," to insert the words, "that at the same time they recognise that conditions may arise in any of the three kingdoms in which grants in aid of emigration to voluntary associations and colonial governments might suitably be recommended"—(Mr. *Rathbone*).—Question put, That those words be there inserted.—The Committee divided:

Ayes, 5.	Noes, 10.
Sir George Baden-Powell.	Mr. Gerald Balfour.
Sir John Colomb.	Mr. Campbell-Bannerman.
Mr. Rankin.	Dr. Clark.
Mr. Rathbone.	Mr. Munro Ferguson.
Mr. Seton-Karr.	Mr. Hobhouse.
	Mr. Loder.
	Mr. James Maclean.
	Mr. William M'Arthur.
	Colonel Malcolm.
	Mr. Wodehouse.

Amendments made.

Another Amendment proposed, in line 9, after the word "Island," to insert the words "form an exceptional case and"—(Mr. *Gerald Balfour*).—Question put, That those words be there inserted.—The Committee divided:

Ayes, 8.	Noes, 7.
Sir George Baden-Powell.	Mr. Campbell-Bannerman.
Mr. Gerald Balfour.	Dr. Clark.
Mr. Hobhouse.	Sir John Colomb.
Mr. Loder.	Mr. Munro Ferguson.
Mr. James Maclean.	Mr. Rankin.
Mr. William M'Arthur.	Mr. Rathbone.
Colonel Malcolm.	Mr. Seton-Karr.
Mr. Wodehouse.	

Another Amendment made.

Another Amendment proposed, in line 23, after the word "be," to insert the word "favourably"—(Sir *John Colomb*).—Question put, That the word "favourably" be there inserted.—The Committee divided:

Ayes, 10.	Noes, 5.
Sir George Baden-Powell.	Mr. Gerald Balfour.
Dr. Clark.	Mr. Campbell-Bannerman.
Sir John Colomb.	Mr. Munro Ferguson.
Mr. Loder.	Mr. William M'Arthur.
Mr. James Maclean.	Mr. Osborne Morgan.
Colonel Malcolm.	
Mr. Rankin.	
Mr. Rathbone.	
Mr. Seton-Karr.	
Mr. Wodehouse.	

Another Amendment made.—Paragraph, as amended, *agreed to.*

Colonies—Miscellaneous, C. 4751, 1886.

Amendment proposed, That the following new paragraph be inserted in the Report:—"It will be seen on reference to Papers presented to Parliament in 1886, that, owing to the severe depression of trade then prevailing, and the consequent insufficiency of employment at home for artizans and labourers, various projects of State-aided emigration and colonisation had been put before Her Majesty's Government, both by emigration societies and by individual gentlemen who had given attention to such subjects. The correspondence that ensued on these proposals between different public offices at home, and the representatives of Colonial Governments, will be found in the Papers above mentioned; and (as they show) although Her Majesty's Government were then unwilling to give State-aid to emigration or colonisation, they decided to create a Department in connection with the Colonial Office for the collection and dissemination of trustworthy information respecting the prospects of emigrants to the British colonies; and, accordingly, an Emigrants' Information Office (to which further reference will be made in this Report) was established in 1886. Early in the following year 32 Members of the House of Lords, and 135 Members of the House of Commons, formed themselves into a Committee to promote State-directed colonisation; and information respecting the proceedings of that Colonisation Committee is supplied by Papers handed in by one of its honorary secretaries, Mr. Seton-Karr, who is a Member of your Committee. Those Papers contain a table of six colonisation schemes which had been examined and considered by the Colonisation Committee; a summary of the replies to questions addressed by the Committee to the representatives of Canada and the Australian Colonies at the Colonial Conference held in 1887; and a Memorandum setting forth the scheme of colonisation which the Committee recommended, with an outline of the principles on which it was based. This Memorandum, as well as a scheme of colonisation prepared by Mr. Kimber, M.P., were submitted by the Secretary of State for the Colonies to various Colonial Governments in 1887 and 1888; and the replies thereto have been presented to Parliament"—(Mr. *Seton-Karr*).—Question, That this paragraph be inserted in the Report,—put, and *agreed to.*

Question, That this Report, as amended, be the Report of the Committee to the House,—put, and *agreed to.*

Ordered, To Report, together with Minutes of Evidence and an Appendix.

EXPENSE OF WITNESS.

NAME OF WITNESS.	Profession or Condition.	From whence Summoned.	Number of Days Absent from Home, under Orders of Committee.	Allowance during Absence from Home.	Expenses of Journey to London and back.	TOTAL Expenses allowed to Witness.
				£. s. d.	£. s. d.	£. s. d.
A. F. Eden - - -	Gentleman - - -	Ripon - - -	3	3 3 -	2 19 -	6 5 -

MINUTES OF EVIDENCE.

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MINUTES OF EVIDENCE.

Friday, 6th February 1891.

MEMBERS PRESENT:

Sir George Baden-Powell.
Mr. Gerald Balfour.
Mr. Campbell-Bannerman.
Dr. Clark.
Sir John Colomb.
Mr. Munro Ferguson.
Sir James Fergusson.
Mr. James Maclean.
Mr. Mahony.
Colonel Malcolm.
Mr. Osborne Morgan.
Mr. Rankin.
Mr. Rathbone.
Mr. Seton-Karr.
Mr. Wodehouse.

SIR JAMES FERGUSSON, BART., IN THE CHAIR.

Mr. A. F. EDEN, called in; and Examined.

Chairman.

1. WHAT is your position in Canada?—I am the land commissioner of the Manitoba and North West Railway Company.

2. And have you any official position in relation to the Government?—I have been lately made a member of the honorary sub-committee of the colonisation board in Manitoba.

3. In that capacity are you under the orders of the Government?—In that capacity I and the other land commissioners there, are doing what we can as a sort of advisery board, as I understand, to the colonisation board here.

4. Are you, in the capacity you have described, acquainted with the various settlements to which the West Highland crofters have been assisted to go during the last few years?—Yes, especially with that of Saltcoats.

5. Are you acquainted with the others?—I visited them with Mr. Scarth, but have not gone thoroughly into them.

6. Then, speaking of Saltcoats, what is the present condition of the crofter settlers there?—Those who are now on the land are doing fairly satisfactorily.

7. Is that true of them all, or are there exceptions?—There are some of the crofters who left their locations and went to look for work.

8. But all those on the land are doing fairly well?—Yes, those on the land are doing fairly well.

9. Were you acquainted with their condition in the first winter of their settlement?—I visited them personally several times during the first year they came out; and when they first arrived

Chairman—continued.

I was, for a whole month, with them during the progress of their settlement.

10. At the present time, are they doing as well as the average colonists of their class?—I should say they are doing as well as the average colonists of their class.

11. Do they make complaints of their condition and treatment?—Yes; complaints have been made, and I have had a copy of the letter sent to me which was handed in by Dr. Clark, in which several of those complaints are set forth.

12. I think we need not go into the question of the delays upon their arrival, because those were temporary; but with regard to the rations that were given them, are the quantities stated in this letter correct?—I have no personal knowledge of the quantity of rations given, but I think I may say that I consider the whole rationing system is a mistake.

13. What system would you prefer to adopt instead of it?—I think that with a view to encouraging the independence of the settlers they should be allowed a certain amount of credit at a local store, which they should expend in provisioning themselves, and that they should not look to the Government as being a feeding power.

14. In fact you would prefer a system which made them more independent to the rationing system?—Yes, exactly.

15. The present system is that until they have improved their holdings so as to become self-supporting, they get certain advances made to them; is not that so?—It is. I think the present

 system

Chairman—continued.

system arose principally from the fact that the progress made at first was not so rapid as it had been anticipated it would be.

16. Do you consider the crofters a good class of settlers?—I consider they are a fairly intelligent class of men, and that they could make good settlers. I think they are a little inclined to be lazy, probably owing to their occupation previously as fishermen; they are very helpless at first, more so than the average settlers that we have hitherto colonised.

17. At first they were segregated in their Saltcoats settlement, were they not? They were not mixed with the other settlers?—They were not far distant from other settlers. It is impossible in that country to settle them close to other settlers, as where the land is well settled there are very few locations open for other settlers coming out; but they were upon very good land, and near other settlers.

18. Were they sufficiently near other settlers to be able to gain an insight into the proper mode of working their land in that country?—Yes, I consider they were.

19. Had they other settlers within half a mile of them?—No, not within half-a-mile of them, except upon the outside borders of the tract upon which they were placed; some of them were close to other settlers; but as a rule I should say the other settlers were distant from four to five miles from the majority of these settlers.

20. Do you consider that in the case of such settlers the land should be prepared for them, and shelters created before they arrive?—I do.

21. Then to put them down in a plain with everything to do, was putting them in a place for which they were not suited; was not that so?—Principally on account of their being somewhat helpless at first. I think it is necessary that shelters should be prepared for them. In this case a good deal of the delay was caused by their inexperience in building houses themselves, and beyond that we have found it of the greatest use to the settlers to prepare a few acres of land the year before, so that they may have the benefit of a few acres of crop when they go upon the land.

22. Supposing any more emigrants were sent out in the same way, how should you proceed?—I think arrangements should certainly be made the year before in the case of large parties being sent out; the land should be selected, and say five acres broken upon it before the arrival of the settlers, and a shelter should be erected upon each location, so that the crofter or other settler could immediately go out on to his land.

23. When you say a shelter, do you mean a house that he could go into in the winter?—No, I use the word "shelter," because to build them good houses, in the proper sense of the term, would take too large an amount of money. We consider that the shelters we propose for them would be the most desirable, as they could easily be made habitable for the winter by the settlers themselves at a time when they are not employed upon their farms.

24. That is to say, turning it from a mere shelter into a house?—There were various ways

Chairman—continued.

in which they did it, such as sodding it with turf or plastering with mud, and placing sods upon the roof; in that way the houses were made perfectly comfortable for the winter.

25. If instead of having to go to work at their houses they could go to work for wages, would they not become independent sooner?—No, I think it is a great mistake that the heads of families should ever be obliged to leave their farms to go to work; I think the younger members of the family should, but I think it is the interest of the people lending the money to those settlers that they should as rapidly as possible improve their holdings; and, in addition to that, work is not easily got in those locations where free land is to be obtained; they have to go some distance for work, and the delay and expense of looking about for it more than counterbalances the advantage of getting immediate work. I think if the advance is made sufficiently large to allow the heads of families, at all events, to remain upon their farms without having to seek for employment, that would be better for them. If they can earn money by work in the immediate neighbourhood, so much the better for their progress.

26. If there is not work obtainable that is a practical objection; you do not think it is not better that men coming to a new country should not earn money by wages, do you?—That is a different question. I was dealing simply with the point of people put on farms. With regard to the question of labour I do not think there is a sufficient amount offering to justify any amount of emigration for the purpose of labour, except in the two classes of farm labourers and domestic servants.

27. I was rather speaking of Canada than of this particular district?—I think that applies to Canada as a whole, but I would rather speak only to this particular district.

28. Can you tell us whether you consider Saltcoats to be a good district?—I do. The land which was selected before the crofters arrived was very carefully examined by Sir Charles Tupper and Mr. Smith, the Dominion Land Commissioner, in company with myself, and the locations selected were the best in the district.

29. Will you tell us what amount of wheat such land might be expected to produce per acre?—The last report of the crofters' holdings was 22 bushels to the acre. In their own letters I think they claim 25, but the actual yield worked out at 22.

30. This preliminary expenditure upon a holding, which you think desirable, would increase the cost of colonisation, would it not?—No; the cost of building the shelter would be very small, in addition to the cost of the lumber, which would arise in any case, and the expense of the ploughing of, say, five acres would be repaid by the fact that the man had food for the following winter.

31. What do you estimate the cost of the shelter would be?—The material for a two-storied shelter costs about 75 dollars. I think they could be done for about 100 dollars a piece, or, roughly speaking, 20 *l.* Then I put down

Chairman—continued.

down the preliminary ploughing of the land, taking five acres at the amount it costs us, namely, three dollars per acre, or a total of 3 *l.*

32. That makes 23 *l.*?—Yes; in the case of the crofters I would advise the land to be back-set, which would cost, roughly speaking, 2 *l.* more.

33. You do not consider that would necessarily increase the advance required for the colonisation of a family?—It depends upon what amount that is fixed at. I do not think it would increase it above the amount that we have always recommended, which is 900 dollars, or, say 180 *l.*

34. You consider that the advance to each family ought not to be less than 900 dollars, or 180 *l.*?—We think that should be the amount; we have found it so from experience. Of course I am dealing simply with those who are intended to remain upon the land and act as farmers from the commencement; I have a list here which shows every item of this 900 dollars expenditure.

35. What do you consider to be the value of the security given for this advance?—The advance is secured by a lien given by the head of the family of 600 dollars, and by another member of the family, say a son, of 300 dollars; the son must be over 18 years of age; this enables two homesteads to be pledged as security; that is to say, 320 acres, which may be valued at what we generally value the wild lands at, namely, 2½ dollars or 10 *s.* per acre, making 800 dollars, beyond which there is the value of the items supplied, and on hand, but subject to depreciation, which I calculate at 572 dollars; this makes the total value of the security 1,372 dollars, as against the 900 dollars advance, and allows for the sum of 328 dollars having been expended for passage, subsistence allowance, fees and expenses, for which, of course, there is no security remaining beyond the lien on the land.

36. Does the security of 1,300 dollars cover the cost of passage and the items which you mentioned last?—Yes. I stated that the amount which stood without security representing 328 dollars included the cost of the passage and the provisions, and those are included in the 900 dollars advance.

37. You make it a condition of your estimate that there should be a son old enough to set up a second homestead?—Yes, either a son, or in certain cases, in which we have made advances, a married brother.

38. You have no right to count upon that as a necessary condition?—We have been obliged to count upon it, as the amount allowed by the Dominion Government is only 600 dollars upon a homestead, whereas we have found the 600 dollars insufficient to outfit a family where passage money and subsistence had to be included.

39. What sum do you consider would be sufficient for a family where there was not a grown-up son?—I consider that they would require, at least, the same amount, 900 dollars; a grown-up son is an advantage, not a disadvantage.

40. What I want to know is your opinion as to the sufficiency of the security in cases where there is not a grown-up son?—The Dominion Government do not allow you to take security for more than 600 dollars upon one homestead, so that you cannot advance 900 dollars.

41. So that unless you have such a family the security would be insufficient for the cost of bringing out a family and settling them?—You could not get security for more than 600 dollars, although I consider the necessary cost would be 900 dollars to place a family upon a farm.

42. Can you tell the Committee what is the probability of repayment being made by settlers when the amounts are due?—I think their capability of repayment is shown by the increase in the wealth of the settlers who have already had loans made to them. Judging by the progress made and the value of the improvements, crops, and stock of good settlers there should be no trouble in making repayment if the term of repayment is made easy enough. But in regard to the question of repayment I would like to say that there are other opinions held regarding the amount of the necessary outfit; but I consider that with the 900 dollars outfit a man should be easily able to make his repayment.

Mr. *Rankin.*

43. When ought the repayment to commence?—I have a table here which I prepared in December 1889, in regard to this class of immigration which spreads the repayment over 15 years: it is divided into three periods of five years each; in the first period a very small payment is made; in the second interest is paid back, and in the third the principal is returned. I think this gives every facility for making the repayments as they come due.

Chairman.

44. Would you tell the Committee whether you consider the people from a congested district are a desirable class for a company to make loans to; are they a class to which a company would be safe in making loans?—I do not think a commercial company would take them as a selection of their own. Speaking for a company which has done a great deal of this work I may say that our experience has been that those who know about farming make progress at once, whereas those who do not are much slower in going ahead.

45. Your experience of these settlers who came out from the so-called congested districts, is that they get along more slowly than those from other districts; is that so?—They get along more slowly than those who are practical farmers, which is the usual class of settlers we are aiding ourselves.

46. In fact it is a severe trial to a man who has been only cultivating a little patch of land, to be launched upon so large a farm?—I think he finds a little difficulty at first, but the progress of the Killarney settlers shows that in two or three years he may be able to cope with a farm of 320 acres; we have always found that in three or four years they are not far behind the settlers who made quicker progress in the beginning.

47. Will you tell the Committee whether you think such a plan of colonisation as we are speaking of is best carried out by the Government or by

Chairman—continued.

by a company?—I think if the Government advanced the funds through a board acting upon a commercial basis, and the settlers were not regarded in any sense as wards of the Government, a colonisation board should be able to manage as well as a company.

48. You do not think there is any difficulty in a Government board acting upon commercial principles?—That I have not much knowledge of.

49. Is not that the condition of your opinion?—No; I say that if they do act upon a commercial basis, they will act as well as a company.

50. But you do not give any opinion as to the difficulty, or otherwise, of their acting upon a commercial basis?—I do not think there should be any difficulty. As I understand, the members of the board are independent business men who are very much of the same class as those acting upon the board of a company.

51. Have you any opinion to offer the Committee upon the general question of colonisation?—I have a paper which I have prepared on the subject of aided colonisation, which might be of some use, as it covers, I think, the whole ground of this matter. (*A Paper headed "Notes on Colonisation" was handed in.*)

52. You have stated that you have had a good deal of experience in colonising?—We have settled several hundred families on our land with the aid of these advances, and from the experience that we have gained, I think we have now arrived at probably the best plan of conducting this system of colonisation. There is one point which I think is very essential, and that is that the settlers before coming out should be made fully aware of how much will be done for them, and what will not be done for them; in view of that I have prepared a book which we hand to each settler before he gets his loan, which also contains a copy of every paper which he is expected to sign; I think this pamphlet covers every objection which has so far been raised by our settlers (*handing in a pamphlet*).

53. That book could be distributed in this country, I presume?—There is no reason why a book similar to this should not be distributed in this country.

54. This paper which you speak of having prepared on colonisation is a complete handbook, giving information of the conditions on which these settlers would be placed, and their expense and the terms of their holdings?—It is that exactly.

55. I will only ask you one or two more questions. I should like to ask you particularly, whether you think that any future crofter colonists should be settled in groups without immediate contact with others, or that they should be more mixed?—The best plan is to scatter them as far as possible, but there are two difficulties in that plan; one is the selection of the land in well-settled districts, where most of the homesteads are already taken up, and the other is the distances to which the agent would have to travel in settling those people upon the land. I have tried the scheme in Manitoba, and I have found that the expense is greater than we can manage, and have come back to the conclusion that the only way we can colonise is in groups, which groups should not be larger than from 25 to 35 families at a time.

Chairman—continued.

56. At the same time it is desirable that they should have neighbours of their own class, is it not?—Neighbours very quickly come. Since the Saltcoats group was settled the district has been speedily filled up.

57. Do you think that the Saltcoats settlers will be able to get through another winter without extraneous help?—I think so from the crops the crofters have; they have a very good crop of potatoes, a small crop of wheat, and some oats.

58. Then, finally, in order to make that experiment, if it were renewed, satisfactory, what fresh conditions would you wish to be observed?—I think the principal ones have been covered by the preparation of the land, the erection of the house, and a full explanation to the settler as to what he may or may not expect; I think those three points, as well as the necessary amount of advance to him, to enable him to work on his farm, pretty fully cover the future of any work of that kind.

59. Of course the mistakes and the want of preparation which occurred on a former occasion would be avoided?—Everyone of them could easily be avoided.

Mr. *Rankin.*

60. If notice were given?—Yes, if notice were given; a year's notice at least should be given.

Dr. *Clark.*

61. How long have you been manager of the land department of this railway?—I have been the land commissioner of the road for the past six or seven years, and have resided in Manitoba for 16 years.

62. How many million acres have the company got?—On the completion of the road we will have earned about 3,000,000 acres.

63. How many families have you settled during the time you have been commissioner?—Do you mean by advance or by people settling on the land themselves?

64. Both by advances given by your company and by these crofters, Norwegians, and other foreigners?—It is a difficult question to answer; I should say over 1,000.

65. Do you mean 1,000 families or population?—One thousand families through our own exertions, that does not include the settlers who have come in of their own accord, of which I have no return.

66. Upon your own lands or upon the Government lands?—We do all our settlement upon Government free grant lands; we settle no one on our own lands; we hold our land for sale.

67. Were the crofters settled upon your own land or upon the Government land?—They were settled upon Government land with the exception of those who moved over to Leach Lake, in which case the railway company resigned their right to certain lands there in favour of the crofters, thereby allowing the Government to make those free grant lands; in every case they were put on free grant lands.

68. Could

Dr. *Clark*—continued.

68. Could they have the right of homestead entry?—They had that right.

69. Upon the adjoining quarter section?—You mean pre-emption entry? The pre-emption would entitle them to further land upon payment of 2½ dollars an acre; in only a few cases did they take that out; they did not consider it was necessary.

70. These men in the Saltcoats' sections were sent to your company and were settled under your care, were not they?—No; they were settled under the care of the Canadian Government officials, but we were asked to co-operate with them which we very gladly did.

71. You were not responsible for anything that was done?—No, we were not responsible for anything that was done; we simply gave them advice and all the assistance that we could.

72. Then when did they come under your care; when they arrived at Saltcoats?—The day they arrived at Winnipeg; I met them at Winnipeg myself.

73. And you took charge of them from Winnipeg?—We took charge of them from Winnipeg.

74. You have read the letter complaining of some of the arrangements?—I have.

75. Are there any statements there which are untrue or exaggerated?—Yes; I would like to take some of them up.

76. The first thing they complain of is that after arriving out they were left for 27 hours to subsist on a slice of bread and cheese. That occurred, of course, before they came under your control?—That complaint was practically made in the letter of the 29th of January 1890, which appears in Mr. M'Kenzie's evidence, and which Mr. Colmer's evidence, I think, answered. It was before I met them.

77. Then they complained that on their arrival at Saltcoats there was no accommodation except a very small shed and a few ragged railway tents, so that some of them were compelled to live in the railway cars for three weeks, with five, six, and seven families in each car, and that that told upon their health; is that the case?—The facts are as follows: At Saltcoats there is a very good emigrant shed, which is only capable of holding about five or six families. The Government shipped up some tents for these people; but as we found the tents were not sufficient we allowed them to use our freight cars, which we fitted up for their use, a cooking stove being put in each. We only allowed two families in each car, but some of the families would crowd in from the tents. I consider that the accommodation that they got at Saltcoats was superior to that given to any ordinary emigrants.

78. Are your emigrant houses not sufficient for your ordinary emigrants?—Not in all cases, when we have parties exceeding the number the emigrant house will hold, we generally put them into tents.

79. In past years, have you had cases of their being lodged in tents and cars?—Yes, in the case of foreigners, principally Germans, and they were very well satisfied with the accommodation we gave them.

Dr. *Clark*—continued.

80. Do you know whether it told upon their health?—I do not think it did, the only cases of sickness I heard of were the ordinary cases that you would expect from a large number of people of that class arriving.

81. With regard to this inferior food, who was it supplied by?—The provisions were purchased before the first arrival of the crofters and shipped in by Mr. H. H. Smith, the Canadian Government land commissioner from Winnipeg; he bought them at wholesale prices from sample, and the provisions were fully up to sample; I remember seeing some of them on the spot; I examined them, and all I can say would be that, as regards the oatmeal, it was simply that it was rather finer ground than they are accustomed to have it in their own country; that is the most that they could complain of.

82. Then they were kept three weeks or a month until their locations were determined; what do you say to that?—I know that their locations were determined three days after their arrival, and plans were shown to them, but they would not take the locations which were set apart for them, and wasted a good deal of time in going about looking for fresh locations.

83. Were any willing to settle on the locations provided for them?—I think there were three families willing to settle upon the locations at once.

84. Then they had to live in tents upon the locations?—They had to live in tents upon the locations until they built their houses, there was no delay there except their own slowness in bringing the lumber; to save expense the settlers always take up the lumber at the point of debarkation and team it with their own ox teams to their locations. If we had to pay for the teaming of this lumber it would materially increase the price of their settling.

85. How long was it before they could team their lumber off?—There was some delay in their getting their oxen owing to the fact that the advance first proposed contemplated their working in partnership with one ox a-piece: this arrangement we know from experience does not work, and our company advanced sufficient money for the purpose of supplying the extra ox required to make up a team for each family, and a little delay therefore occurred in purchasing the other 49 oxen.

86. That was the reason; that they could not have their lumber until they got the oxen to do it?—Yes; they could not haul the lumber until they got the oxen.

87. But after they got their oxen it was done?—It was done in a very slow way owing to the dissatisfaction with the locations chosen for them; if they could have gone straight to their locations there would have been very much less delay.

88. That is to say all the oxen were there before they had finally taken up their locations?—We were sending the men out under the charge of guides to look over the land, but in the meantime when the oxen arrived each man could have gone to his location and built his shelter.

89. Is it the case that they were compelled to unload timber without being paid for it?—It was

Dr. *Clark*—continued.

their own timber; merely for their own houses. I think that a mistake was made in trying to do too much for them in this way. The Dominion land commissioner, Mr. Smith, purchased the lumber at wholesale price, and shipped it in at a very low rate of freight; this compelled us at Saltcoats to really act as lumber dealers, and serve out this timber to the settlers, and naturally, as it was their own timber, we expected them to unload it themselves, and thereby save any expense being added to the cost of the lumber. We wanted them all to work together, but, as they would not do that, I arranged that the Government agent should pay 10 cents an hour to those who worked, and then charge that 10 cents an hour to the cost of the lumber.

Mr. *Rankin.*

90. Do they actually receive that money?—They actually received it in cash.

Dr. *Clark.*

91. Who is the agent they are complaining about; is he an official appointed by you or by the Colonisation Board?—By the Colonisation Board.

92. That is the man, I suppose, who supplied them with their effects?—No; the first agent supplied them with their effects; the present man is a man appointed since the settlement altogether.

93. Appointed by whom?—By the Board.

94. Paid by whom?—By the Imperial Board.

95. Is it the case, as stated here, that these people have gone away and left their holdings because of the action taken by this agent?—I am not aware of that.

96. Then what do you think is the reason why these thirteen families who were settled at Leach Lake went away?—It is rather a curious coincidence that the families who left Leach Lake are the very families who would not go on to the land selected for them, but went on lands chosen by themselves, and I think they were dissatisfied with them. Then they went out to work and I believe many of them stated that they would rather stay out at work than go on to their land as farmers.

97. They did remain for twelve months?—They did remain as long as they were being rationed; that is the first twelve months.

98. You think the ration system is a bad one because it made them dissatisfied; it made them look upon themselves as wards of the Government, and that they ought to get more than they were entitled to?—Yes. I think the best way of dealing with them would be that a credit should be established for them at the store at certain prices, from which, however, they should not be allowed to draw more than a certain amount per month until they were able to get a return from the land.

99. You think the progress has not been so rapid as it should have been?—It has not been so rapid as it should have been owing to the fact of the delays in settling upon their land, and that during the first year the crops did not turn out well owing to the dry weather.

Dr. *Clark*—continued.

100. If the want of progress was due to the poor season and the defective crop, I could understand it?—It was due to the people not going on to the land when it was selected in the first place. I think the poor crop is not so important a factor as the fact of their not going to the place selected and getting to work upon it. The poorness of the crop is partly due to the fact that newly cultivated land does not stand the dryness of the season so well as land prepared beforehand. That is another reason for having the land prepared before they come out.

101. Then the want of progress is due to the fact that they did not settle down as quickly as you anticipated they would do, and to a specially dry season with poor crops all over the country?—Yes.

102. You think they would get on better if they were started independently?—Yes, and not rationed.

103. The first summer was very unfortunate to them, it being so dry; the winter afterwards was very bad, too, was it not?—The winter was a very cold one, a great deal colder than the one we are having this season.

104. It was really an exceptionally cold one, was it not; at all events, there was a very large amount of snow?—There was a very large amount of snow.

105. So that those who tried to get a living by bringing lumber into Saltcoats found it hard to get a living?—I understood they succeeded pretty well in that and selling cordwood to the people of Saltcoats.

106. But I understand they had a difficulty in bringing it in?—I did not hear that.

107. There is no work available, is there, at any reasonable distance from the settlement?—The railway company offered them work upon the railway in July and August, upon an extension beyond Saltcoats.

108. Did any accept it?—Yes, a few of them did.

109. A few of them did, but the majority did not?—The majority remained upon their holdings.

110. What did the company pay them; the ordinary wages of the district?—The ordinary wages of the district are 6 *s.* a day; but I think they could have earned more because they were offered piecework; it was making embankments, upon which they employed their oxen and their ploughs for ploughing up the land before they scrape it on to the embankment.

Chairman.

111. Did they decline this work because they could not spare the time upon the ground that they were occupied upon their farms?—That was the excuse they made, but I do not think it was a very valid one.

Dr. *Clark.*

112. Do you think that Saltcoats is a very good district for emigrants?—Our experience with our own aided settlers is that it is a very favourable section.

113. Is it as favourable as Manitoba?—It is very difficult to speak of one district in relation to another;

Dr. *Clark*—continued.

another; the Killarney district is a very favourite district, and is an exceptionally good one.

114. It is about 400 miles, is it not, from Killarney to Saltcoats?—No; I should not say it was more than from 200 to 250 at the outside.

115. But going by rail it would be a very long distance?—Going by rail it would be between 300 and 350 miles.

116. Have you more early frosts there than you have in Manitoba?—The frost attacks certain districts in a very peculiar way; you cannot very well speak of one district as being more subject to frost than another.

117. Some of the districts upon your railway do not suffer so much as even they do in Manitoba, I suppose, because there is a lake protecting it?—Yes, that is true.

118. Which territory is Saltcoats in?—It is in the North-West territory, in Assiniboia.

119. Is the Assiniboia district good, generally speaking, it is a rolling prairie, very similar to Manitoba, is it not?—It is very similar to Manitoba, but it has not quite so good a name for wheat growing as Manitoba.

120. It is not quite so good as the Red River Valley?—It is not quite so good I should say.

121. But it is equal to the general run of Manitoba outside the Red River Valley?—I should say it was equal to the general run of the land in Manitoba outside the Red River.

122. About the present condition of the crofters; they have had a very fair crop this year, have they not?—They have.

123. Do you know that most of them are in debt to the merchants in Saltcoats, and that it takes the whole of the crops to pay the debts?—No; I am surprised to hear that, because I did not know that they got credit.

124. When the food supply ceased in April and they could not get a crop until September, how do you think they have been living?—I think most of those families had junior members who were working out, and I think that most of the heads of families earn money by selling wood in the winter, and also by doing work outside, to a certain extent.

125. Those in the Lothian district?—Yes.

126. Mr. Doeherty was the secretary who sent some of these letters; he is a very decent colonist, is he not, and a hard-working man?—Yes, I think so, but he is not a very strong man, and his family are sickly; his son and daughter have, neither of them, been able to work since they arrived on the land.

127. But I mean he is not a lazy man; his house and his holding probably have as much progress shown in them as those of other crofters?—I think that may be; but I think he is a man of rather more discontented mind than the average crofter.

128. Do you know that they were using him as a kind of show crofter, that they took Lord Aberdeen and the English delegates to Mr. Doeherty as a show man?—I think there must be a mistake about that; Lord Aberdeen did not visit the settlement, and I do not think the English farmer delegates were taken there, except that, he being on their road, attracted more

Dr. *Clark*—continued.

interest, on account of his having acted as secretary to these letters; they were anxious, no doubt, to see him on that account; but I do not think he has been used at all as a show man.

129. Do you know anything about the 14 families that were settled at Leach Lake; the head of one of the families is dead?—Yes.

130. And the other 13, in April, when they stopped getting any more food, went away to the lumber region, 700 or 800 miles further east?—No, they moved to Rat Portage, 350 or 400 miles further east.

131. How far east is it of Winnipeg?—I think about 100 miles east of Winnipeg.

132. And Saltcoats is about 260 miles west of Winnipeg?—Yes.

133. That would bring it up to nearly 400 miles?—Yes.

134. Do you know whether they found work?—They found work there, and the committee in Winnipeg suggested that the agent should visit them at Rat Portage, and see if they intended to return to the land. He came back and reported to the board that they did not wish to return to the land, they were doing very well, earning 5 *s.* and 6 *s.* a day.

135. This is the result of your efforts to bring them back since I had the pleasure of meeting you at Winnipeg?—Yes.

136. Then you do not think they will return?—No; the railway company offered to carry them back for nothing if they would return.

137. When they left, I suppose they left all the waggons and oxen made over by the Government to them?—Yes.

138. I suppose as far as they are concerned, you will not be likely to get any money back from them personally?—I suppose not.

139. All that you have got is the houses, the waggons, the oxen, and the land?—Yes.

140. Have you declared them defaulters, and taken possession of the land, so as to give possession of it to anybody else?—I do not think that is necessary under the Act; the mere fact of their leaving their locations enables the Government to cancel the patent; the land is then deeded to the party making the advance; so that this property will become the property of the Colonisation Board.

141. You think the reason these people went away was, that they were dissatisfied with the land they got?—Yes; I judged so from the fact that they removed in a body from one location, while nearly all the others upon the other locations remained.

142. One family went right back to Stornoway, did they not?—I do not know that.

143. How many have left the Lothian colony?—I think the report was that five families had left; there were 49 families in Saltcoats district, of whom 18 have left altogether.

144. Do you know where those four, besides the one that came back to Stornoway, went to?—Three went to the Killarney district, where they had friends; the other I am not sure about; I think they have gone west and got work.

145. It is extraordinary why they should all leave that one district, and the others should

Dr. *Clark*—continued.

remain; they say in their letters that it was the action of the agent, that he drove them out?—I see they say so.

146. This was rather a good year, was it not; the last season was rather a good season?—It was a good season; there was a little wet weather during the harvest, but the crop was heavy all over the country, and, as far as I know, we had no early frost to damage it.

147. So that although the year before last was rather a bad one, last year was a very good year indeed?—I should not like to say a very good year, but a good year.

148. They had fair crops, and as far as they are concerned they are in as decent a condition as the other colonists about them, say within 50 miles upon your railway line?—I would hardly like to say that they would be so far advanced as the other settlers upon our line of the same duration.

149. Your settlers would be mostly men who came out with a little more capital than those had?—Some had capital; they nearly all had experience.

150. You have some Scotch colonists round about there, have you not?—Yes.

151. A Glasgow company sent out some?—The Commercial Colonisation Company sent out some settlers three years ago, and we settled them.

152. Close to Saltcoats?—Close to Saltcoats.

153. Those were people who had some money, or, at all events, had experience in farming?—There were some cases in which they had no money at all, and we advanced the passage money; but they were exceptionally good colonists, and they have done better than, or as well, as all other colonists.

154. You have had none leaving?—I think six have left out of over 100.

155. Your idea is that if anything like this were carried out again, you ought to provide a house, and have some ploughed land ready for for the settlers, and put up a lumber shed at the place of debarkation, so that they could at once take up their land and develop it further?—I think so.

156. Do not you think the Saltcoats' crofters were rather late in the season when they came out that year?—No, I think they were quite early enough in arriving, but that they were late in going on the land, for an average season, I should say that the 10th of April was quite early enough to arrive in Manitoba and the North-West territories.

157. But the fault was not the lateness of the arrival for the season, but the non-settlement upon their allotments in time?—That was the reason.

158. Combined with the dry season?—Yes, combined with the dry season.

159. Do not you think one of the causes of the want of progress was the fact that they had only two-thirds of the sum advanced to them which you consider necessary for bringing out colonists?—I consider they would have made better progress if we had been enabled to give them the amount which we consider necessary from the start.

Dr. *Clark*—continued.

160. Do not you think that the want of that may be rather a barrier to their progress, and hinder them from progressing so rapidly as they would have done otherwise?—I think that deficiency was greatly overcome by the fact that since their first advance they have been given further advances.

161. By whom?—By the Imperial Colonisation Board.

162. There is a Colonisation Board acting in Winnipeg of which you and Mr. Scarth act as agents?—No, we are simply advisers; we have nothing to do with the responsibility or management, except so far as giving advice goes.

163. Is it the case that the first season was so bad that the Dominion Government voted a considerable sum for seed, and the settlers got a portion of that?—Yes, the Dominion Government voted a considerable sum for seed on account of the season being so bad, and a portion of that was taken by the settlers who had lost a portion of their crops.

164. Did the crofters get a portion of that?—Yes, the crofters got a portion.

165. Have they to pay that back to the Dominion Government?—Yes, they have; it was not a heavy advance, and our settlers are exactly in the same position; we advanced our settlers seed at Saltcoats, which they have to pay back in cash.

166. Have they got a fair price for produce this year along the North Western Railway?—Yes, the general price has been good.

167. The wheat has not been frosted?—I should say very little.

168. More spoilt by damp than anything else?—I think the damage from damp was overestimated, in the first place; I think it has turned out now to be very slight.

169. And not only the crofters, but all the other colonists suffered from the severity of the season, and required aid to get over this severe season?—Not all the colonists; those who had not been long in the country and wanted aid at starting.

170. Were they aided by the Dominion Goverment?—The Dominion Government only give aid to those in the North-West Provinces.

171. What is the distance from Saltcoats to the nearest shipping port; would Quebec be the nearest?—Montreal, I suppose, would be the nearest: the producer sells it at his station, and the purchaser ships generally to Port Arthur, upon the lake; it is then put on board the steamer, and, I believe, carried through the canals to the ocean-going steamer.

172. I see the Canadian Government are offering money, I think 75 dollars, to those going to the settlement; would that be given to those going upon the company's land?—I have not heard yet, the sum is 15 dollars each homesteader.

173. Or only to those going upon the Government sections?—So far as I understand, that is the arrangement.

174. There was some exchange of land, was there not, between your company and the Government in reference to this crofter settlement?—Yes; the one I spoke of, where those crofters chose land which properly belonged to the

Dr. *Clark*—continued.

the railway company; the railway company relinquished it in their favour to the Government, and the Government allowed them to make homestead applications for these sections.

175. You hold the land, I suppose, section by section, with the Government throughout the length of your railway?—Yes.

Mr. *Osborne Morgan.*

176. Were there any grounds for the dissatisfaction with the lands which the colonists selected themselves?—I do not think they could be called inferior, but I do not think they were as well suited as the lands that we at first selected for them.

177. Your railway goes from Winnipeg?—Our railway starts from Portage la Prairie, 55 miles west from Winnipeg.

178. How do you get from your railway to the Saltcoats' settlement?—They are upon our railway, distant on the average about eight miles.

179. You spoke of the settlement of Saltcoats being distant about four or five miles from the nearest settlement; what communication is there between them; are the other settlements clustered along the railway, or what communication is there between the settlement at Saltcoats and the other settlements?—There is no defined line; it is a scattered settlement upon every alternate square mile of land.

180. You spoke of 6 *s.* as the average wages of a labourer in the north-west territories; do you mean the agricultural labourer?—No; I was referring to railway work and navvy work; farm labourers are paid as high as 6 *l.* a month with board.

181. That would be only during the summer months, I suppose?—That would refer principally to the summer months.

182. You spoke of the crofters as being very helpless at first; is it not the case that persons even acquainted with English and Scotch farming, when they get to Canada are very much at sea; do not they find an entirely different state of agriculture there from what they left at home?—They find a very much simpler state of things, and they very soon pick it up.

183. Do you think they would pick it up sooner than those crofters?—Very much sooner; they would pick it up at once.

184. I suppose those crofters have never been accustomed in their own country to farming upon anything like the scale upon which it is conducted in the north-west territory?—I gather not; I have not visited the Hebrides, but I gather that the holdings there are very small.

185. I suppose that last year the crop was well up to the average?—It was well up to the average.

186. But I suppose it varies very much in different localities in so large a district as the north-west territory?—it does.

187. You spoke of a Glasgow Commercial Corporation; I presume from its name that that is a company which conducts its emigration strictly on commercial lines, does it not?—It does.

188. There are other companies which do the same, are there not?—I do not know of any other company at the present time which is working upon those lines.

Mr. *Osborne Morgan*—continued.

189. Are you acquainted at all with the conditions upon which emigrants are sent out by this particular company, the Glasgow Commercial Company?—Yes; I originated their plans and worked for them in the settlement.

190. Could you give the Committee the general lines upon which they work?—Yes, the book I have handed in shows the lines upon which they work.

191. This is the "Canada Settlers' Trust and Loan Company"?—Yes.

192. I suppose they advance money to settlers and take security upon their land?—Yes, exactly, in the same way as this plan of the crofter colonisation, except that as a rule we select settlers able to pay their own passage-money.

193. Comparing what I may call the commercial method and the State method, which do you think most likely to be successful?—I think naturally the commercial, because the settlers they select as a rule are more likely to have funds of their own, and to be naturally more suitable people than those selected from a congested district.

194. The Government would send out those emigrants whom there would be some distinct necessity for taking out?—I assume that is the case.

195. With regard to the materials for the shelters which those settlers have to build, the north west territory is not a timber country, is it?—It is partially.

196. Is it not a prairie rather than a timber country?—Our country is partially timbered, but a new settler finds great difficulty in cutting down trees and building his own house. It is much easier to give him some lumber to build a shelter and he can make his own house afterwards.

197. What distance, speaking generally, is it that the materials for shelters or houses have to be taken before they reach their destination at Saltcoats?—You can purchase in Saltcoats the material from the lumber yards, it is brought from Rat Portage, and that is, as Dr. Clark pointed out, 360 miles from Saltcoats.

198. Brought by railway?—Yes; brought by railway.

199. That involves a considerable expense, I suppose?—The price of lumber at Saltcoats is from 3 *l.* to 4 *l.* per 1,000 feet.

200. And I suppose that other materials would have to be brought some distance too; that is to say, windows and doors?—They would come from the same place.

201. That is the nearest timber country accessible?—It is the nearest timber country accessible for this particular kind of lumber, although there are saw mills on our own road which supply spruce lumber.

202. You spoke of the corn being shipped at Montreal; the nearest port, Montreal, is closed as a port during half the year, is it not?—It is.

203. Therefore, practically, corn can, or would only be, exported from them during the six summer months. Halifax is open all the year round, is it not?—It is open all the year round.

204. Is any corn shipped from Halifax?—I believe a certain quantity of it is. As a matter of

Mr. *Osborne Morgan*—continued.

of fact, our corn is harvested in the autumn, and our farmers take some time to haul it; they never think of moving it much before January and February, so that by the time it reaches the seaboard it is about the time of the opening of the navigation, which is about the end of April.

205. Did you observe any real distress among these people?—No distress whatever; the only grounds for apprehending any distress might have been the want of clothing, but that was very quickly got for them. In future I think it is a point which should be very strongly insisted upon that they should have an ample supply of clothing for one year after arrival, especially in reference to boots for men's outside wear.

206. How was this clothing got; was it got by charity?—It was collected from charitable persons.

207. I do not know whether you are acquainted with the working of our Emigration Information Office in London?—I visited it; but I am not acquainted with it.

208. Are you not aware now that in the circulars that are send round, the necessity of taking out warm clothing is very strongly insisted upon?—No doubt.

209. I suppose clothing of all kinds is very much dearer in this part of Canada than it is here?—No doubt it is a little dearer.

Mr. *Rathbone.*

210. Is the company you have mentioned still going on?—The Commercial Company is now vested in the Settlers' Loan and Trust Company, which is really a larger organisation.

211. Do you consider they are prospering?—I do.

212. I suppose the crofters you speak of are men who at home were partly fishermen and partly crofters—I understand so.

213. Their system of farming probably involved only a very little work during a few months of the year, whereas when they get to Canada they have to work the whole year round?—I gather that is the case.

214. Have you ever thought of settling them for a time on occupied farms in Canada as labourers?—No; I think that would be difficult to do on account of their families; the only persons we would send out would be the single men.

215. We have had evidence from Australia as to the desirability of settling people preliminarily for a year as labourers with other farmers before taking up land of their own?—I think that would be a very expensive way of educating them if their families had to be provided for during that period.

216. You spoke about the Government sending out people upon commercial principles. Do not you think it would be very difficult to persuade a crofter that the Government was bound to provide for him not upon commercial principles?—I have had no opportunity of judging of that.

Mr. *Wodehouse.*

217. I think you said you had not gone fully into the question of the Killarney emigrants, but that you had visited the settlement and know something about it?—Yes; I visited the settlement and have seen some of the farms and have noticed the extent of their progress.

Mr. *Wodehouse*—continued.

218. Do you believe them to be in a contented and satisfactory condition now?—I think they are in an extremely satisfactory condition.

219. They made their start under more disadvantageous conditions than the Saltcoats' emigrants, did they not?—I think they come out too late in the year, but I think they have probably arrived at the same condition as the Saltcoats' emigrants by getting quickly to work.

220. Can you say whether many of the Killarney families have left?—I have not heard of their having left.

221. Do you believe that the original settlers are there still?—I do.

222. In the Killarney Settlement they have fishing, have they not?—I believe they can get fish, but so they can in the Saltcoats district.

223. We were told there was exceptionally good fishing near the Killarney Settlement?—I think so; I do not know to what extent.

224. Do you know whether that has had any effect upon the crofter settlers?—I do not think so; I think the reason of their more rapid progress was that they were in a district where work was more easily obtainable for the younger members of the families from the first rather than from any different conditions of soil or climate.

225. Then with regard to the Saltcoats' emigrants I gather from what you said that they grumble more even than the average emigrant does?—I think probably the reason of that was that they knew less than the average settler of the difficulties they were going to encounter.

226. Do you think that they were made more exacting by the fact of the Government having had something to do with their going out?—I do think so, certainly.

227. Did their complaints originate entirely from themselves, or had they any advisers who stirred them up to be discontented?—That is a question I have no evidence upon, and I can hardly answer it.

228. There was no one to your knowledge?—No one to my knowledge.

229. Did the whole body of them appear discontented, or were the complaints limited to a few?—The complaints, I think, were general, but in most cases they were not justified by the facts.

230. You say that the accommodation supplied to them was rather better than that which an ordinary emigrant finds upon arrival?—It was fully equal to what the ordinary emigrant has upon arrival.

231. Is the nature of the accommodation generally a matter of complaint with ordinary emigrants?—I think it is, especially with the women and families who are unaccustomed to roughing; there are certain hardships which are incidental to first arrival in a country which it is impossible to get rid of without a very large expenditure of time and money.

232. There was nothing exceptional in the complaints of these settlers?—I think they complained more than other people; there was nothing exceptional in their complaining.

233. Where did this "show man" come from, Doeherty?—From Uist.

234. You spoke of the Colonisation Company's

Mr. *Wodehouse*—continued.

pany's emigrants in the Saltcoats' district, and you said, I think, that they were above the average?—Yes, they were; they were selected by our agent with the view to the requirements of colonists in Manitoba.

235. They were selected with more care than the crofters, in your opinion?—I think it hardly a fair comparison, but they were selected from districts probably better to select from than those the crofters were selected from.

236. They were selected from a commercial point of view?—Yes.

237. And they were adapted to agriculture?—Yes.

238. Do the crofter settlers mix with the other settlers, or do they keep to themselves very much?—They mix with the other settlers.

239. And they are on good terms with their neighbours?—On very good terms.

240. Are there no difficulties of communication as to language?—Not to any extent; some of them have a very fair knowledge of English, especially the younger members of the families.

241. So that that difficulty did not isolate them from their neighbours?—I should judge not.

242. You regard system of rations as a mistake, and you propose to give them, not a money allowance, but credit at a store; do you think that would give them a sense of greater independence than the system of rations does?—I am sure it would; and it would, I think, bring forcibly to their minds the fact that they had only a certain amount upon which to provision themselves for the month; that it would be important not to waste it in any way, but to make the best use they could of it.

243. If the money came from the Government do not you think they would believe that more would be forthcoming if they ran through the allowance?—I think it would have to be explained to them before they left the country that it would not.

244. Would it not be difficult to make them thoroughly understand the conditions of such an arrangement?—It may be difficult to make them understand; but I think that laying this clearly before them before they went out would be a great help to us in the settlement of any complaints that were not well-founded.

245. But the crofter emigrants were no doubt informed of the conditions on which they would be emigrated, and still they complained; were they unable to show that the conditions had been explained to them?—The papers which they signed, a copy of which each family has, stated very plainly the scheme of advance, showing that when the money was fully expended no more would come to them from that source.

246. You would admit that it is very difficult to make them so fully understand the conditions upon which they go out as to bar them from complaint hereafter?—I should say it should not be very difficult, especially if a book were prepared giving clearly in their own language all the points.

Mr. *Wodehouse*—continued.

247. Have you ever heard any settler express a desire to return?—No.

248. You have not heard them express a wish that arrangements could be made for their return to their old homes?—No; on the contrary, two or three have asked me if arrangements could be made for their friends to join them.

249. Have they written to their friends in that sense?—I cannot say what they have written to their friends.

Sir *George-Baden-Powell.*

250. You have seen the letter Dr. Clark has put in, and you have had evidence of other complains; do these complaints chiefly refer to the time of the emigrants first coming out?—The first part of the letter refers chiefly to the time of the emigrants first coming out.

251. At present you get no such complaints?—No; when I went round with Mr. Colmer and visited the crofters upon the lands we heard none of those complaints.

252. Have you read the evidence taken by the British tenant-farmer delegates who visited the land?—I have not read it yet.

253. According to the evidence of this reporter four of the five men who signed this letter expressed themselves as very satisfied with their condition. Charles Doeherty says: "I have 12 acres under crop this year and planted 10 bushels of potatoes, and have a return of 160 bushels of potatoes and a good crop of wheat; my family eat also potatoes from June to September. I have 12 head of cattle, including my work oxen. I think I will have 20 acres under crop next year. I had no money when I came here. I would not leave this country unless I am dragged from it by ropes. I was not pleased at first." Have you seen that evidence?—I have not seen that evidence, but I have heard Doeherty use that same expression that he would not leave the land unless he was dragged from it, and that he was thoroughly satisfied with his condition now.

254. Then you have not heard complaints of the present condition of the crofters?—I have not heard complaints of their present condition.

255. All the complaints refer to the time when they were brought out?—All the complaints in this letter refer to the time where they were brought out.

256. Then as to the thirteen families who left Leach Lake, is it not the fact all those thirteen were families who chose their own land and would not accept the land chosen for them?—It is.

257. Do you think it is the fact also that a number of those families, or the heads of those families, obtained employment for wages elsewhere?—I understand all of them did.

258. One other point was in reference to the seed wheat. Have you heard complaints that the crofters obtained seed wheat from the Government authorities imagining it to be a gift?—No; I do not see how they could have any grounds for believing that.

259. It was distinctly not a free gift?—It was distinctly not a free gift.

Sir *George Baden-Powell*—continued.

260. In every case of seed wheat do they enter into a lien with the Government for repayment?—I have not seen the paper, but I gather that they enter into a lien for the repayment, that lien being prior to any other lien.

261. Was that grant of seed wheat made two years ago given to those particular crofters only, or to the settlers generally of the district?—It was made generally to the settlers in the district who may have required it.

Colonel *Malcolm.*

262. You speak about your idea of giving the people credit, or some stores for their rations, instead of issuing the rations to them?—I do.

263. Do not you think that would lead to a great deal of the sort of complaints that are shown in part of this letter which Dr. Clark has put forward?—Do you refer to the over charges?

264. Not so much that as this: "Another company offered to supply us with good quality of flour at a shilling per sack less than Buchanan and Company." In fact it would be impossible to satisfy people that they could not deal better at other stores than the one upon which you gave them credit?—I think they might be allowed their own choice of a store; then they would be responsible for having gone to the wrong man if they did so.

265. Do you think that there is any just foundation for this statement: "The majority of all our effects is useless through old age and inferior quality"?—No; I may say that the effects, when they were issued to them were of the very best quality that we issued to our settlers, and all new; the fact of age is nothing but the usual question of depreciation of articles used upon a farm, which would happen to any settler.

266. But that must have happened very rapidly, because the whole thing is only two years old?—I think the want of knowledge of farm work has led to their not treating their implements with the same care as a regular farmer would do.

Mr. *Mahony.*

267. Did you select this land for the settlement?—When they were coming out I was asked to notify the Canadian Government of any land we would recommend, and we sent out one of our own guides to examine every location; that was what was done by us.

268. You had not much time?—We had time to examine the locations.

269. That would be done after the starting of the emigrants?—Yes; we could examine those locations very well in a week.

270. I gather that at the time of their starting the Government had made no arrangements for their settlement?—I do not think they had; the Canadian Government had made some selections, I believe, at a place called Wolesley; but owing to the want of sufficient land there to enable them to take locations the locality was changed to Saltcoats.

271. Are you speaking of the batch of crofters who went to Saltcoats in 1889?—Yes.

272. What connection had Mr. Oliver with that?—Mr. Oliver is the agent we employ upon this side to select families for us.

Mr. *Mahony*—continued.

273. Mr. Oliver, the agent of the company in Scotland, on being asked why the agent acted for the Government, said: "It was simply the circumstance of our agent there being used to get the Government there out of a hole;" and when he was asked "What hole?" he said, "Sending out emigrants without making any arrangements to receive them"?—I think Mr. Oliver now regrets that he gave evidence upon a matter which never came before him, and of which he had not the slightest knowledge.

274. But does not your evidence bear out what he said, that no preparations had been made by you until after the emigrants left?—Arrangements had been at first made by the Canadian Government to receive those emigrants at a place called Wolseley.

275. Why was that abandoned?—Because sufficient land was not found there to enable those families, if they desired to do so, to take up pre-emptions.

276. The arrangement was a bad one?—It was not in itself considered a bad one, but Sir Charles Tupper considered it better that the settlers should be allowed the privilege of taking up pre-emptions if they desired to do so.

277. Then, as a mntter of fact, the arrangements made before these people left Scotland were altered during their voyage?—The location was altered, but that made no difference to the amount of preparation which could have been undertaken within that time.

278. You think you were fully prepared to receive them?—I think we were as fully prepared to receive them as we could be owing to the short notice we received; but a longer notice should have been given.

279. That is just the point; you could have been better prepared to receive them if you could have had longer notice?—We could.

280. The final arrangement was only made after those people left Scotland?—I am not sufficiently up in the date of their leaving to know whether that was so or not.

281. At any rate, it was made very late?—It was made very late.

Sir *John Colomb.*

82. You say that there are two agents concerned in the management of the settlement?—Yes. Appointed by the Government; the first agent, Mr. Grant Mackay, was appointed, and after, I think, about two months a second man was appointed to carry on the work, being a young man, and considered more active than Mr. Mackay.

283. Can you identify at all which of those men is referred to as "that unclean thing" in this letter; the older or the younger man?—The younger one, because it refers to his being present there now.

284. With regard to the question of clothing, is it your opinion, from what you saw, that the outfit with which the Saltcoats' crofters were provided was not sufficient?—They had not sufficient clothing, but the advance under the Dominion Lands Act does not allow of their being provided with clothing out of the advance; there is no advance for clothing under the Act.

Sir *John Colomb*—continued.

285. Can you tell me this: Was there any scale for clothing laid down as being necessary for the emigrating family to have?—I do not know it; I should think not.

Mr. *Campbell Bannerman.*

286. You used the expression, in speaking of future arrangements, that the emigrants should not be led to consider themselves "wards of the Government;" will you say what you mean by that?—I mean that our experience out there is that these crofters have been led to suppose that the Government would never allow them to starve whether they work or not; as long as that is the case lazy men will take advantage of it.

287. By "Government" you mean the Imperial Government?—Yes.

288. Your view I understand to be that the Canadian Government should have nothing to do with the transaction from first to last?—I did not intend to convey that impression.

289. What part would the Canadian Government take in it?—I think that they should certainly supervise, to some extent, and give their advice and assistance out there.

290. In addition to the company that you represent?—Our company has not in any way volunteered to take action in the matter at all; we took part in this case at the special request of the Canadian Government, but I do not think we should do so in the future upon that arrangement.

291. You would leave it to the Canadian Government?—I think the Colonisation Board would make their own arrangements upon that side of the Atlantic.

292. Then, substantially, the Imperial Government and the Colonisation Board would be the two parties concerned?—Yes, they would.

293. When you speak of the shelter being erected to receive them, would the shelter ultimately develope into the dwelling-house on the holding, or would it be a temporary building altogether?—It would ultimately develope into the dwelling-house.

294. So that the money expended in its construction would not be lost?—The money would not be lost.

Mr. *Rankin.*

295. Do you think the Canadian Government could assist this movement by making any alteration in their usual method of making land grants, that is to say, making the grant of land in a more compact form than they do at present?—I do not think so.

296. You think the alternate sections of land are the best methods?—I have always thought it might be improved by the adoption of alternate half sections of land, but not to any material extent.

297. I believe the Canadian Government have now done away with pre-emption half sections?—Yes, they have.

298. What is the reason for their so doing?—It was found that the pre-emption system resulted in the locking up of quarter sections by settlers who eventually did not purchase the lands, and withheld them from settlement for a certain period.

299. But does not that prevent the acquisition by the settler on a free homestead of any further land adjoining his free homestead?—No; he can purchase from the owner of the odd numbered adjacent section as much land as he requires.

300. And he had to purchase also from the Government?—He had to purchase also from the Government at the rate of about 2½ dollars per acre.

301. I see it mentioned in this letter that some of them "were charged 10 dollars for a premunition;" does that mean preemption?—Yes.

302. Which, apparently, they say they never got?—If they did not get it they certainly were not charged with it.

303. Now, I will ask you one or two questions with regard to the question of security. In your Commercial Land Settlement, do you, in every case, lend them 900 dollars to commence with, taking two quarter sections as your security?—No; in a great many cases we made them a loan, in the case of foreigners, as low as 200 dollars; and in the case of some Scotch settlers who have means of their own, the loans will run from 400 dollars to 500 dollars a family.

304. Do you consider that the loan of 600 dollars allowed by the Canadian Government is sufficiently secured where it is spent upon a homestead of 160 acres?—I do.

305. Do you think that a homestead of 160 acres having had 600 dollars spent upon it, would not be a good commercial security for more than 600 dollars?—I think the security would be more risky than a commercial company would care to take.

306. I gather that you consider 900 dollars or 180 *l.* is the amount required to settle a man upon a homestead?—Yes, I do, if he is to live by the land without having to look for work while the land is being got under cultivation.

307. I gather that, in your opinion, the amount allowed at present is not a sufficient amount to settle a man upon the land?—Not if it had to pay his passage money and procure provisions.

308. You think the security given by a free homestead is not sufficient for a loan of 180 *l.*?—I do not say it is not sufficient, but I say that under the Act they cannot lend more than 600 dollars upon it.

309. But supposing that you could lend more than 600 dollars?—There would be security for about 900 dollars upon the 160 acres, but if the depreciation of the articles supplied occurred more rapidly than the man's improvements of his farm, then of course the security would not keep to the original amount.

310. You may take a goods and chattels mortgage, may you not, in addition to the 600 dollars?—Yes; we take it in the form of a receipt note; the ownership of the article never passes from us to the emigrant till he has paid for it.

311. That is in addition to the lien upon the land, which may be 600 dollars?—Yes.

312. It is possible to lend the settler 600 dollars upon his land in addition to the amount lent upon his goods and chattels?—Yes; but then the only security you would have for the extra loan would be the goods and chattels; in the other case, after selling the goods and chattels you can

Mr. *Rankin*—continued.

fall back upon the land for any amount that the goods and chattels had not realized.

313. Did you in the case of your own commercial company's settlers frequently fall back upon the plan of having double quarter-sections given to one family?—We did in all cases where the settlers required that amount of advance.

314. That is to say, you made it a condition of advancing them more than 600 dollars, that the family must consist of at all events one son over 18?—Yes.

315. Had you any difficulty in finding such families?—No, we had not; because as a rule families which did not come up to that standard had sufficient means of their own to make up the deficiency out of their private funds.

316. Is it not the fact that upon the second quarter-section some work must be done to fulfil the conditions necessary in order to earn the extra loan of 300 dollars?—To earn the title to the land, some cultivation has to be done, but the way it is done is that the son enters for the land upon the five years' system, which allows him to go out to work for the first two years without doing any residence upon the land, the father doing the necessary amount of cultivation for the son, which is very small; five acres ploughing the first year.

317. Do I gather from you that the necessary conditions upon this quarter-section can be fulfilled for less than 300 dollars?—Yes, the necessary conditions.

318. And the balance of the 300 dollars can be spent upon the original quarter-section?—Yes, the necessary amount of improvement upon the 300 dollars quarter-section is entirely a matter of labour, not of expense.

319. I gather from you that you think upon the whole a Government Colonisation Board would be a better institution for carrying out colonisation work than a commercial company?—I would not like to go so far as to say that, but I say I think they ought to be able to manage quite as well.

320. Do not you think that the feeling which those sent out by the Colonisation Board have, that they are really under the Government, is rather a cause detrimental to the success of a settlement?—I think the same feeling would exist where it was known that the company was subsidised by the Government for carrying out this work.

321. That is to say, a loan made to the company?—Yes, a loan made to the company for the purpose of carrying out emigration from the congested districts.

322. Do you think a company would be willing to undertake work of this sort if they had the power of making their own selection upon this side of the water, receiving an advance at a low rate of interest from this Government?—I think they might, but I doubt if their selection would go any long way towards relieving the congestion, which I understand is now complained of; I am afraid they would not make a sufficient number of selections to effect any particular reduction in the population.

323. You think the selections would not be from the congested districts?—Not to any extent.

324. That practically amounts to an admission that those coming from the congested districts are not the best colonists?—I do not think they are, at first.

325. But if they are taken from districts that have not arrived at a condition of congestion, would not that in itself be the means of preventing congestion?—I presume it would, but that is a question relating rather to this side of the Atlantic than to ours.

326. Do you think from your knowledge of Manitoba that it is a country which you can honestly say is an advantageous one for emigration?—I think it is very much so, especially for the working classes, who can make a home for themselves.

327. You think it is a country for small farmers?—I think it is essentially so, speaking of our district.

328. Has the general wealth of Manitoba increased much during the last few years?—It must have increased considerably from the amount of the exports of products.

329. Speaking generally from your knowledge of these crofters, having visited them personally yourself, do you believe that the complaints made in this letter are at all exaggerated?—Very much so.

330. Is not this letter very much the same in its complaints, in fact in its actual words, as the letter of the 29th of January 1890, written to Mr. McKenzie?—I think the first part of the letter is almost identical.

331. So that the complaints refer back to a period considerably anterior to the 1st of November 1890?—In all cases I gather they do.

Chairman.

332. Do you think that these people have been unsettled at all owing to the number of people who have gone there to see how they were getting on?—I think there is no doubt about that. I may say I myself have gone round on three official visits, once with the Governor General, on another occasion with the Minister of the Interior, and on a third occasion with the Lieutenant Governor of the North-West Territory. In addition to those there have been several visits from private parties interested in colonisation work, all of which, I think, greatly tend to unsettle the settlers.

333. Including visits from Peers and Members of Parliament?—Yes.

334. So that they are led to fancy they are in a different position from other settlers?—Undoubtedly, if they are asked if they have any complaint that has the effect of stirring up any ideas they may have as to there being grounds of complaint.

Sir GEORGE BADEN-POWELL, K.C.M.G. (a Member of the Committee); Examined.

Chairman.

335. YOU visited Manitoba in the course of last autumn, I believe?—Yes; I found the evidence laid before the Committee was conflicting in regard to these crofter settlements, so I took the opportunity when I went to Manitoba to visit the district and gather all the local information I could upon the subject.

336. Will you say which settlement you visited?—When I arrived there it appeared to me that considerable trouble or misunderstanding might be expected to arise from so many leading men of various kinds visiting the settlements. I arrived there at the time when Lord Aberdeen, the British Tenant Farmers' Delegates, and Dr. Clark, were visiting the crofter settlements, and visiting round amongst the crofters themselves, and as it was expected that they would report in detail the result of their inquiries, I decided to content myself with making full local inquiry without going to the actual villages to question the crofters themselves. I made out a summary of the actual condition of the crofters, and, perhaps, I might just mention the heads of the figures.

337. The evidence you give on this point is really at second hand; would you tell us the class of people from whom you received it?—The actual figures came from the accounts of the Colonisation Board; but I think it is necessary before we get to our report to have the figures for 1890 in our mind. There are seven heads I should like to mention the figures of: The total acreage cropped in Killarney in 1890 was 1,310; broken for the next year, 487; the number of head of live stock, 240; poultry, 816; number of implements, 68, which includes reaping and binding and mowing machines; bushels of wheat, 23,540; tons of hay, 518. Then in Saltcoats, also in 1890, the cropped acreage was 232; broken for the new year, 182; head of live stock, 198; poultry, 277; bushels of wheat, 5,346; and tons of hay, 568. Perhaps it might be interesting to the Committee if we considered these figures on the average at Killarney of the families; it would give to each family 160 acres of good soil, 37 acres of crop, 8 head of live stock, 30 head of poultry, 17 tons of hay, and 750 bushels of wheat, which at the low price of 70 cents would represent a money value for the crop of 1,100 *l.* From all the evidence I could gather every one of those families was housed; there was a certain amount of stabling, and there was kirk and school accommodation within easy reach. I also found that in the great majority of cases the crofters could, if they wished, earn wages by labour in the neighbourhood; these figures, to my mind, conclusively prove that these crofters are already in a far better condition than anything they could possibly have hoped for if they had remained in their homes in Scotland. It must be remembered, too, that the individuals selected were very poor, many of them were indolent; they were unskilled in farming, and showed a discontented nature; I think also they were pauperised to a certain extent by the idea

Chairman—continued.

that the Government meant to clothe, feed, and house them, and even supply them with seed and implements. All the evidence, however, goes to show that at the present moment they are certainly in a very good condition, very hopeful and greatly improved in every way, especially in character. There are one or two more points I would mention: One is the report of the Tenant Farmer's Delegates, which I had sent to me, in which first of all one of them, Mr. Brown, gives shorthand notes of interviews with various crofters, amongst them being four or five who had signed this letter which Dr. Clark has put in. I might quote three brief passages of general conclusions. Mr. Brown says: "I have no hesitation in saying that those crofters who have taken up their homesteads are infinitely better placed, more comfortable, with better prospects for the future than ever could be their lot if they had remained in the old country." He also says: "I do not consider any enlargement of holding or migration to other districts at home would put the crofter in such an independent position as he could attain here in a year or two by the exercise of a moderate amount of energy and thrift." Again, "many other examples might be given, but the preceding should serve to show how men possessed of very little energy or force of character can make a very comfortable living when settled down in Canada." I wish, particularly, to quote this with a view of showing what evidence there was, if we came to call for it, from gentlemen like these tenant farmers who went out there and saw the crofters on their holdings.

338. Did they go out there of their own accord?—They went out at the invitation of the Canadian Government to see and report upon the prospects for agricultural settlement in Canada.

Colonel *Malcolm.*

339. Not specially for crofters?—Generally in Canada. I should also wish to state that the report of the Colonisation Board, which goes in detail into the state of these crofter settlements, is, I believe, to be submitted to the Queen this week, and would, I suppose, be available for us if we could secure it before we proceed to the consideration of our Report.

Dr. *Clark.*

340. Have they published this letter of Mr. George Brown, or is it a private communication to yourself?—I believe it has not been yet published.

341. It is a private communication from Mr. Brown to yourself?—He sent it to me.

Chairman.

342. Have you anything more to say about Manitoba?—Except about the post office.

343. You refer to complaints about letters being stopped?—Yes. When I arrived in Canada I met one or two members of the Government, and they asked me if it was true that before this

Chairman—continued.

Committee the Canadian Government had been charged with tampering with letters and withholding letters. I showed them the passages of the evidence bearing upon that point. When I was in Winnipeg I saw the postmaster, and he explained to me that no tampering could have been complained of, either at Killarney or Saltcoats, without his hearing of it; and he introduced me to the inspector, Mr. Cairns, who said that letters for the old country were not sorted before they reached Montreal. He also said that no complaints whatever had been made at or about any of the local post offices, namely, Minette, Finshall, Glanborough, Killarney, Saltcoats, or Winnipeg. The Killarney postmaster was a painstaking official, and he was on most friendly terms with the settlers. All the postmasters concerned with these local post offices were then written to, and everyone of them replied, pointing out that they had received no such complaints, but that without doubt they should have heard of them if they had been made. In addition to this Mr. John M'Leod stated that he received most of the correspondence for the crofters, and that he had no knowledge of any mail matter being retained, lost, or received open. I thought it right to mention that I had made these inquiries upon that point.

344. Passing to another point, you have visited British Columbia, have you not?—I have. There seemed to be some doubt when I left England as to how far the witness, Mr. Alexander Begg, was authorised to speak, or at all events to negotiate, on behalf of the Provincial Government of British Columbia. I therefore obtained an interview with the Hon. J. Robson, Premier, and the Hon J. H. Turner, Finance Minister, of the province of British Columbia, and discussed very fully with them the schemes which Mr. Begg had placed before this Committee. The Premier, the treasurer, fully concurring, stated definitely that the Government of British Columbia would be willing to arrange to colonise 1,250 families, giving to each family at first 80 acres of selected lands, with 80 acres additional subsequently, making 160 in all. He said that the Colonial Government were willing to undertake all the expenses, provided the Imperial Government would loan them 150,000 dollars at 3 per cent. interest, no interest to be charged for the first five years, the Government of British Columbia guaranteeing interest when due and repayment of capital.

345. Were the Government of British Columbia to undertake all arrangements for placing settlers on their ground?—The selection of the settlers, which of course would be done in England, was to be subject to the approval of the British Columbia Government. They would be willing to take in proportion emigrants from congested districts in Ireland, Scotland, or England, and they contemplated forming a special settlement of Naval Reserve men in British Columbia. The ministers pointed out to me that British Columbia was now being opened up by railway and steamer communication, that their great want was population, and that they were

Chairman—continued.

prepared to undertake such colonisation by groups in places suitable for lumber mills, fisheries, mines, and farming in localities at present unoccupied, but known to be suitable to such purposes. I think that I ought also to mention that I found that responsible commercial representatives of syndicates in England were visiting British Columbia, proposing to take over this Government proposal, and with the financial support of the Colonial Government to inaugurate a scheme of colonisation on the same lines, but on a far larger scale. I also found out from the President of the Canadian Pacific Railway Company that they would make special cheap terms for through trains of emigrants to British Columbia. Then there was only one other point. The Canadian Government itself has made proposals for favouring immigration into Canada generally, and they handed me a copy of the Report of a Committee of the Privy Council, which Report was approved by the Government in Council upon the 20th September 1890.

346. This is a new scheme, is it not?—It is a completely new departure in policy for the Canadian Government and quite a new scheme. It is as follows:—"Report of a Committee of the Hon. the Privy Council, approved by His Excellency the Governor in Council, on the 27th September 1890. On a memorandum, dated 23rd of September 1890, from the Minister of Agriculture, recommending that he be authorised to give effect to the following proposals for better promoting immigration:

1st. To pay a limited amount, not exceeding in any case 50 dollars, to the class of return men (not exceeding 50) to Europe towards recouping their expenses, on sufficient proof furnished of success in bringing immigrants to Canada.

2nd. To pay a bonus to steamship agents in the United Kingdom of five dollars for each adult settler on land of 18 years and over, on certificate of "booking" and shipping such settler to Manitoba, the North-West Territories, or British Columbia, under certificate of a Dominion land agent to be furnished as proof of such settlement.

3rd. To pay a bonus of 10 dollars to each homesteader, the head of a family, and 5 dollars for each member of such family at the ocean adult age of 12 years and over, with an additional 5 dollars to any such member of a family who may within six months after arriving in Canada become a homesteader, on settlement on land in Manitoba, the North West Territories, or British Columbia, on proof being furnished of such settlement by the certificate of a Dominion land agent.

The Minister further recommends that these several payments be made from the special Vote of 150,000 dollars for promoting immigration.

The committee submit the above recommendations for your Excellency's approval. It being understood that emigrants receiving especial assistance from Her Majesty's Government are not included in the pecuniary aid herein specified.

(signed) *John J. McGee*,
Clerk, Privy Council."

Tuesday, 10*th February* 1891.

MEMBERS PRESENT:

Sir George Baden-Powell.
Mr. Campbell-Bannerman.
Dr. Clark.
Sir John Colomb.
Mr. Munro Ferguson.
Sir James Fergusson.
Mr. Hobhouse.
Mr. Loder.
Mr. Mahony.
Colonel Malcolm.
Mr. Osborne Morgan.
Mr. Rankin.
Mr. Rathbone.
Mr. Seton-Karr.
Mr. Wodehouse.

SIR JAMES FERGUSSON, BART., IN THE CHAIR.

The Right Honourable The EARL of ABERDEEN (attending by permission of the House of Lords); Examined.

Chairman.

347. WE have asked you to be so good as to tell us what you saw of some of the crofter settlements in the Canadian North West last autumn. I will first ask you what settlement did you visit?—The settlement which is known as the Killarney Settlement.

348. I suppose you really paid what we may call a flying visit?—Yes, we paid what might be called a flying visit to it, and also what might be called a holiday visit; that is to say I did not go there with the expectation or intention of preparing any report as to the details of the visit, and therefore, although I might say that I did form very definite impressions from what I saw and heard, I did not record them at the time in the form of a statistical report.

349. Will you kindly tell us what were the impressions you formed?—The impression I formed generally was this: that the experiment of settling the Highland crofters in Manitoba might certainly be regarded as a success. Speaking of the Killarney Settlement, it appeared to me that the settlers had passed through a distinct phase of depression which was not perhaps surprising considering that in the first place their surroundings were of a strange and unfamiliar nature to them; secondly, that they arrived at an inconvenient period of the year; and, thirdly, that the crop which followed was to a certain extent a failure. For these and other reasons it appeared to me that they had at first passed through a period of gloom and despondency, but at the time of my visit they appeared to have got over that phase of their experience, and to be in a confident and hopeful attitude, this being grounded largely upon the fact that their crop of wheat for last year was on the whole a favourable one.

350. In what condition did you find their dwellings; were they at all like substantial cottages?—No, their dwellings were not substantial in the sense in which we speak of dwellings being substantial in this country; but that is easily to be accounted for in this way: that owing to the dryness of the climate of Manitoba, a dwelling which would seem very inadequate to resist the less rigorous climate of Scotland or England is found quite suitable out there. The dwellings are generally built of a number of logs, the crevices of which are lined with plaister, yet in spite of this apparently unsubstantial nature of their accommodation, it is only fair to say that none of the crofters complained of the insufficiency of their dwellings, nor did they complain of the severity of the winter. I particularly asked some of them whether they did not find the climate during the winter detrimental to their health, but none of them spoke of it in that sense; and considering the comparative mildness of the climate to which they had been accustomed in the Western Highlands, and islands of Scotland, I think that fact will be regarded as significant. It may be interesting to the Committee to see some photographs which were taken by myself and my wife during our trip. (*The same were handed in.*)

Chairman—continued.

351. With regard to the interior of the houses, did you enter some of the houses in which these crofters lived?—Yes; in the case of nearly all the families I visited.

352. And did they seem to be living in some sort of comfort?—Yes; I should say they were living in a condition of comfort quite up to the average of what one expects to find if one visits a cottage in the Highlands; indeed, perhaps, as regards food, above it.

353. You observed no instances of the families of the crofters and their cattle living in the same apartment, as we find often to be the case in the Hebrides for example?—No, I did not see anything of that kind; there would be poultry naturally coming in and out; you will find that everywhere,

Chairman—continued.

everywhere, but nothing in the way of cattle or pigs.

354. Did you notice at all to what extent they had brought their holdings under cultivation?—That varied in different cases, but in many cases 50 acres had been brought under cultivation, and in some cases as much as 70 acres; but I noticed that all spoke hopefully of their expectations of being able to bring an increased quantity under cultivation within no great distance of time.

355. Did you observe that generally speaking they had been well advised and directed as to their settlement?—Yes. For one thing I may say, that I do not think that any colony of settlers could have a better adviser than Mr. Scarth, who is a member of the Dominion Parliament for the district, and who had charge of the arrangements for the settlement of these people; although, I may say, that I think that owing to the novelty of the arrangement, and also owing to the uncertainty of the crofters understanding certain of the details at the outset, I was informed that there had been a certain amount of discontent expressed. I think, however, the general feeling now prevailing is that those who were responsible for the carrying out of the arrangements, did carry out those arrangements in a thoroughly satisfactory manner, and, I think, the existence of that feeling is one of the reasons for the change of mind which has taken place from the disheartened state to the more confident and cheerful view of things which, as I have already stated, they now take.

356. As far as you know, did any of them express a desire to go back to the Highlands?—No; indeed one man who was still in a discontented mood upon the ground of his wheat not having been satisfactorily threshed, shook his head at the prospect of going back to Scotland; and some of them suggested that if one or two of the crofters who had been out there were sent back to Scotland in order to explain to their fellows at home the real position of matters, the result would be that a great many of them would wish to come out.

357. Had you any opportunity of learning when the first instalments of the advances were likely to be repaid?—I heard that they were likely to be repaid, but did not hear from any of the crofters themselves any special expression of desire to begin to repay, or inquiry as to repayment. The merchant, however, who accompanied me spoke hopefully of the prospect of their repaying the advances which had been made to them for supplies, and also of the Government advances in due time.

358. I should gather that they had lived a good deal upon the advances made to them by merchants?—No doubt that was the fact.

359. I suppose the merchant is in Canada as in Scotland, a sort of general dealer?—It is the familiar expression. I may say that I heard one of those men thus described: being asked if he had everything necessary for a store, he replied, "I think I have all things necessary for this life."

360. Have you formed any opinion as to any errors which have been committed, and which might be rectified if the experiment of a similar colonisation were repeated?—I think the time of

Chairman—continued.

year when they came out was unsuitable. The proper time as I gathered for them to come out would be in the spring, and tolerably early in the spring. Then, of course, there should be absolutely no uncertainty as to the terms of the arrangement concerning the advances and so forth. I gathered that some of the settlers had been told upon their way out, or at some time before they started, that perhaps after all the Government would not be very particular about repayment of the advances, or that those friends in Scotland who had subscribed towards the Emigration Fund would not be particular. While I am dealing with that matter, I ought to say, that I do not know that any person in authority or any person who could really give reliable information to them, made those remarks; but naturally when a number of those people have been starting from home when they may have expressed some doubts as to the prospect of their success and their ability to repay, some of their friends may not unnaturally have used some consolatory expressions which may have been taken too literally by the emigrants. I think that with a proper and clear understanding of the terms of the advance, and perhaps upon further consideration of those terms and conditions, we should, with the assistance of the experience of the Killarney Settlement, be justified in forming an expectation of even greater success. The experience of an experiment of this sort has given an opportunity for seeing dangers which may be avoided upon a future occasion. Then, again, there is something to be said as to the settlers themselves. Now, although we all know that there are many attractive qualities possessed by the Western Highlander and islander, yet it must be admitted that owing to certain characteristics and habits, resulting possibly partly from the nature of their life at home, they cannot be fairly spoken of as typical of the best stamp of emigrant for settling in Canada. Some of the older settlers told us that, for instance, they do not understand the merits of early rising quite sufficiently as yet. I do not say that in any criticising spirit at all, but this is what we were told. I believe, on the other hand, that their neighbours have been very willing to lend them a helping hand from time to time, and that any want of adaptability to their new surroundings which may manifest itself at first will, in no great length of time, be cured.

Mr. *Seton-Karr.*

361. Do you say this of the crofters as a whole?—No, I say it more especially of the crofter of the Western Highlands and islands as compared with the Highlander from the east coast. I am an Aberdeenshire man myself, and perhaps may be excused for taking the view which I naturally do; but in Aberdeenshire, I think I may say, that the crofter thinks about half-past five in the morning the proper time for commencing business; and I was going to add that neighbours and others who have watched the crofters, think they are gradually getting accustomed to "rustle;" that is to say, to show that briskness and hurrying up and general

Mr. *Seton-Karr*—continued.

general activity which is necessary for a colonist to be successful.

Chairman.

362. They are showing energy?—Yes, very much so; and the hopefulness they express is a sign that they have acquired that attribute.

Mr. *Wodehouse.*

363. Have you any suggestion to make as to to improvements in the arrangements for sending out these crofter settlers?—I think after ascertaining what the equipment should be it would be a simple matter to determine the terms of the loan, to provide the equipment, and also to arrange that the number going out to one colony should not exceed from 20 to 25 families, and also that a careful selection should be made as to the particular persons who are encouraged or advised to emigrate.

364. Did any of the crofter settlers with whom you conversed make any specific statement to you as to what they would desire or as to which of the terms upon which they went out they found fault with?—The only thing they found fault with was as to their not having clearly understood, as they said, the conditions under which they were to go out. They may have perhaps taken a too favourable view of their position and responsibilities; they rather stated that as a thing which caused them to be less confident in the earlier stages of their settlement than they would otherwise have been. I was told that by more than one.

365. Did they regard the sum advanced to each family as inadequate for their necessities?—As they had to obtain credit from the merchants, I inferred that they thought that a rather larger sum would have been better.

366. Did they suggest any particular sum to you?—I do not think any of the crofters did, but other people did; about 175 *l.* at least was the sum mentioned as requisite. But here I might repeat what I said before: that upon the occasion of my visit to the crofters I was not in the attitude of a note-taker, but was only from my own interest in the subject, gaining such impressions as naturally arose from such a visit; therefore I am not able to give such very interesting statistics as Sir George Baden-Powell was able to present to you the other day.

367. I think you said that some of the emigrants expressed to you a wish that some of their friends in the old country would join them?—They said that they were sure they would if they knew how they, the crofters, who had been emigrated were getting on.

368. I think you said that one of those with whom you conversed suggested that this should be made known to their friends?—He said: "We hear there is some talk of some of us being taken back to Scotland to give an account of our experience; we think if that were done a lot would come out."

369. They did not exhibit to you any distrust of the Canadian Government, did they?—Not at all.

370. They expressed no suspicion that their letters were tampered with on passing through the post office?—I heard nothing of that sort. Of course I was prepared to take *cum grano* what

Mr. *Wodehouse*—continued.

they said to me, because other visitors I knew had been there. I may say that I observe my friend Mr. Eden spoke of Peers and Members of Parliament visiting them as though he would indicate that such visits had the effect of unsettling them. I do not think that in this case it could have had that effect, because I noticed that one man, who answered my questions very freely, shortly afterwards sent to the newspapers a most rose coloured account of the success of himself and his friends, in which he adopted quite a patriarchial tone in his account of his farm, describing the magnificence of the prospect before him; whereas that very man I knew had been one of the malcontents originally, so I take him as a good example of the change which had taken place amongst them, from discontent to hopefulness. He thought he had been overcharged for some of the things he had been supplied with, notably a bag of beans; but he is now no longer discontented, therefore I think he may be taken as admitting that the Government have treated him well; he showed me his new granary, which he had built himself partially, and which was very well suited for the purpose in view.

371. I suppose these men have been visited by Peers and Members of Parliament and other people, far more than ordinary emigrants would be?—Yes, I think that is so. I confess that I must agree with the hint Mr. Eden gave that it gets them into the way of saying not what they really feel, but sometimes what they think will be beneficial to their present circumstances, so that they might under-rate or over-rate certain aspects of their condition.

Mr. *Osborne Morgan.*

372. I believe the Canadian Government have done for the Dominion very much what you suggested should be done in the case of these crofters; that is to say, they have invited tenant farmers from England, Scotland, and Wales, to go out to Canada and report upon the prospects of agriculture there?—I understand the object of the Tenant Farmers' Delegates was to present a comprehensive report which would serve as a guide for the whole country.

373. Could you discover at all whether those crofters with whom you conversed, were heavily in debt to the merchants. I suppose they are indebted, most of them?—Most of them are indebted to the merchants. I mentioned this to one of the merchants, but he did not seem at all impressed with the fear of not getting his money; but he said that he thought it necessary, to mention from time to time to the crofters, that they must not run up too large a bill.

374. Did he take anything like security?—He certainly seemed to have got some security as regards the crops; I think in the way of a bill of sale upon them.

375. You seem to think that the crofters as compared with farmers coming out from England or Scotland, labour under some disadvantage in consequence of the nature of the occupations to which they were accustomed at home?—I take it into consideration, as I think everybody must, that the training as regards agriculture of such settlers as those whom I saw, had been upon such different lines, that they had a great deal to learn

Mr. *Osborne Morgan*—continued.

on coming to a new country; but these men have at least the advantage of being surrounded by a good many neighbours who have been a long time in the country and would teach them many things.

376. They came to practically a new country, and to that extent their progress would be delayed; that of course would apply to the farmers also, would it not?—It would not apply so much I think to a crofter whose time had been occupied wholly in agriculture, and not partly in fishing and partly in agriculture, but it would be the applying of his industry upon a totally different scale.

Sir *George Baden-Powell.*

377. Did you come to the general conclusion that the present condition of the crofters was good, but that some of the complaints that they made when they first arrived were well founded?—I certainly came to the conclusion that their present condition was good; and as regards the complaints, I confess I formed the opinion that they had been largely based either on misapprehension, or upon the sense of novelty induced by the strangeness of their surroundings, and the natural doubt as to whether after all they were going to succeed.

378. Do you think that those complaints or grievances would be materially avoided by placing not so many new families together; do you think it more likely that if we only put, say 20 families in one locality amongst older residents, they would lose something of that strangeness which they now feel?—Certainly; I think that would be a suitable number. I think also that the fact of those families, amongst whom they were settled having gone out and succeeded, would be a proof to the new comers that they must exercise patience and all would go right.

379. Do you consider that it would be a good thing for some of the crofters to go back to Scotland and explain the present position of the emigrants?—I think that waiting another year would be desirable before that was done, so that it might be evident that the good crop of last year was not a rare exception; because it must be remembered that the crop of the previous year was a bad one; therefore I think the experience of three years would be valuable.

380. You think that the crofters at home would believe them?—I am quite sure that a people like the Highlanders would be guided by such testimony as this.

381. Then there was the point made that the crofters had bought a great quantity of goods from the merchants, I think; did you come to any conclusion as to whether those goods were necessary for them, or whether some of the goods have not been rather imposed upon them by the merchants?—I heard a little of that. The Committee might, of course, think that the evidence of the merchant who spoke to me about it might be likely to be biassed. He told me he had been blamed for supplying people with things that were not necessary; but he said that with his knowledge of the country, and especially during the winter, there was nothing supplied more than was really necessary. He thought there must be a little more meat supplied than those people had been accustomed to in their own country, but that he had carefully abstained from supplying them with luxuries.

Sir *George Baden-Powell*—continued.

382. Did you notice the number of agricultural machines, reaping, binding, and mowing machines?—The Killarney crofters seemed very well supplied with waggons, and also, as far as I could judge, with machines.

383. You do not think with more than were required?—I presume not. I think the system of divided ownership is very undesirable in implements. I gathered that that was a cause of trouble in another settlement that I did not visit.

384. Did you come to any conclusion as to the ability of the crofters to pay the advance?—Yes; I came to the conclusion that with a little time they would be thoroughly able to repay the advances; and I also came to the conclusion that it was very fortunate that they had not been brought under obligation to make very early repayments, because it appeared to me that every month was of value at this stage, in the way of enabling them to find their feet and use intelligence in their operations.

385. Did any of the crofters express their views as to their intention to repay?—I cannot say that I remember any special remark upon that point; I do not think I questioned them as to that.

386. Did any of them mention to you that they considered they could deal better with the merchants when their farms were free of mortgage upon their goods and chattels than as now?—I cannot say that; I did not hear anything in that direction. I rather got the impression that they were not troubling much about the repayments, but were devoting themselves to wheat, which is the prevailing topic in Manitobia; they did not appear to be affected with any anxiety on that point, although I gave them an opportunity of stating their views.

Colonel *Malcolm.*

387. The evidence you give relates to Killarney, does it not?—Yes.

388. You did not go to Saltcoats, did you?—I did not.

389. How long were you at Killarney?—I arrived at Killarney one evening, and then, after seeing the lake, drove across in one day to Glenburgh, which day's expedition enabled me to see the Lewis and some of the Harris crofters.

Mr. *Seton-Karr.*

390. Were you pleased with the nature of the soil for agricultural purposes?—Yes, decidedly. I do not claim to be an expert as to soil, but I was very pleased with what I saw of Manitoba, especially in that region.

391. Last year was a good year?—Yes.

392. Did they get a good wheat crop?—The average was decidedly good; one man had a crop which became celebrated in the neighbourhood; I forget how many bushels to the acre, but more than his neighbours.

393. Was it a particularly good year for wheat in Manitoba?—Speaking of Manitoba generally, it was good; in fact, the circumstance that it was so good has led to the delay in the returns for

Mr. *Seton-Karr*—continued.

for wheat, because it took longer to thresh out, so that they were not ready to tranship it by railway at the usual time; that applies to Manitoba generally, not especially to Killarney.

394. You stated that you thought the crofters from the West Highlands and islands of Scotland were more lazy than the others?—I would rather say not so exceedingly active and energetic as the crofters of other parts of Scotland.

395. Do you think that there was a fair selection made?—Yes, an excellent selection, because it did not appear to me that they had been picked out as exceptional in any way, but that those who had been chosen were a highly moral, good-hearted set of people.

396. They were a good average?—Yes; that was my impression. Of course I do not profess to be so well acquainted with the Western Highlands as many of the honourable Members of the Committee; it might be that want of acquaintance with them which led me to think that they did not show the same activity in starting upon their daily work, as the men from the east coast do; but I give that with reserve.

397. Do they know more about farming in the east of Scotland?—They know about farming in their own districts; but no doubt if they were put to farm in the West Highlands they would make a very poor thing of it.

398. Do you think that the system of colonisation might be extended upon a very large scale?—I think it might be extended considerably. I am supposing that those who go out, go out spontaneously, and not with any idea of their receiving any sort of premium upon the emigration they may undertake.

399. Do you think it is a good plan to place them upon 160 acres of land, as they have been settled at Killarney, or what modifications in the scheme would you suggest?—I have no modification to suggest to it. At first sight it looks like a considerable amount of land, especially for people who have been accustomed to very few acres; but the whole thing is on a different scale. On the way to Killarney we met a young farmer sitting on his cart, loaded with wheat. I said to the guide, "What sized farm has he got under cultivation," and he said, "Perhaps 300 acres." I said, "How many men does he employ?" to which my guide replied, "Only just himself," which shows the totally different scale upon which the management of the farms is conducted as between that country and this.

400. He had no grown-up sons?—He did not appear to be old enough to have any.

401. Do you think it would be a good plan to have a central farm with a number of small allotments around it, as has been suggested by one witness?—I confess that I have not formed any opinion upon that subject.

Sir *John Colomb.*

402. I did not catch the exact date at which you visited this settlement?—It was the 6th and 7th of October last year.

403. You went there, I presume, with an entirely open mind upon the question?—As I said, speaking about the number of people who had gone out there, I went there partly at the suggestion of Mr. Scarfe, who had the management, and I think Mr. Eden joined him in the suggestion that it would be an interesting thing to see.

Sir *John Colomb*—continued.

404. There was a letter which got into the evidence from a Presbyterian minister, the Rev. John M'Crae, who visited this settlement in May, and I should wish to ask you whether you could confirm that statement from your visit in October last. Speaking of the Killarney settlers he says: "These people express themselves as delighted with their prospects, and at the same time as decidedly angry in view of the silly tales of suffering which somehow had gone abroad;" did you hear any such expression of opinion?—I can endorse the first part about their being delighted on the whole with their position, but I did not ask any questions nor did I hear any statement particularly as to their opinion concerning stories which might have gone about before.

405. But as to the condition of the people at the time you visited them you confirm the opinion of Mr. M'Crae, who visited them in May?—Yes, I do, as to their being cheerful and hopeful.

406. Did you hear from them any complaint as to their insufficiency of clothing?—Not as to their insufficiency of clothing; in fact I did not hear any complaint as to the outfit.

Mr. *Rankin.*

407. I think you said the settlers had passed through a phase of depression at first; do you consider that that was a somewhat usual phase for all settlers to pass through?—Yes, I formed the opinion while I was in Canada that a very large number of emigrants might be expected to go through that phase which I spoke of, and if I had been a settler in Canada, I should certainly have undergone it although I should have recovered from it; I think it applies to various departments of emigration. I might perhaps mention as an example, that when we went out to Canada, we took out several young people who had been members of our household, whom we asked if they would like to settle there, and who said they would. We thought it would be an advantage for them to go out with our household, as we should be a few months in Canada, so as to look round the place and get situations. These young women and two young men did decide to settle; I observed from allusions in their letters that there was a despondency for a time, from which, however, they very soon revived and recovered, and now they are well pleased.

408. In fact, the hardships and inconveniences settlers experience at first are sufficient to produce depression?—Yes; and even where there is nothing which can be called hardship there are differences in their new life from what they have been accustomed to, and sometimes they feel doubtful as to whether they will succeed; and then, although they are not always grumblers, yet there are some who will look upon the dark side of things.

409. You said you heard no complaint with reference to the cold; is that the case with regard to women and children as well as the men?—I heard no complaint as to that from either women or children.

Mr. *Rankin*—continued.

children. I met an Aberdeenshire man who had been sometime in the country, and he told me that he was previously in Bombay. I said, "That is a very sudden change for you;" "Oh," he said, "I did not find any inconvenience from the change from 100 degrees above to 30 degrees below zero."

410. Did you hear of anybody being frost-bitten?—No; I have heard that some have found the climate of Monitoba too severe, but on going to British Columbia, where the climate is more genial, they have quite recovered their health.

411. You did hear of some cases where the climate has acted injuriously upon the health of settlers?—Yes; but that was not in the case of settlers such as we have been speaking of. These were men engaged in a different walk of life, such as men engaged in business of a more sedentary kind. I have heard of no such cases arising amongst the agriculturists.

412. Nor of ill-health induced by the cold?—Not in the case of the agriculturists.

413. Now these crofters did not reach their destination till late in June?—No.

414. That you consider too late?—Yes; that and the fact that the crop was unsuccessful certainly militated against their settling in the hopeful spirit which might have been anticipated.

415. Was it not in 1888 that the Killarney settlers went?—I think they arrived in June 1888.

416. I think the crop of that year was a good crop, except in those parts of the country which were visited by frost; is not that so?—Yes.

417. Had they any crop at all in 1888?—I do not think they could have had any crop of their own, because they were not there in time for sowing.

418. They arrived there in the middle of the year, too late for sowing for that season, so that practically they did not realise a crop at all till the autumn of 1889, and did not realise a good crop till 1890?—That is so.

Dr. *Clark.*

419. Did you see any of the "Peers" who visited the three colonies?—No; I think the "Peers" must be put in the singular number.

420. Did you see any of the "Members of Parliament"?—I see that Sir George Baden-Powell, who was in the district, did not go to the exact spot; he considerately spared the crofters a visit from a Member of Parliament.

421. Then the dissatisfaction could not have been caused by the visits of Peers before the settlers were two and-a-half years there?—I think that may be safely assumed.

Mr. *Loder.*

422. But still it is your opinion that they have been interviewed rather too much?—Yes; I do not think it would be a very healthy thing for settlers to be frequently visited by people as to whom the settlers did not know exactly how their observations would be used.

Mr. *Loder*—continued.

423. You think they know the sort of answers they are expected to give, and that they give them irrespective of whether they represent their true feelings?—I would not like to say irrespective of that, but I think not only the Highlanders, but most people would adapt their language a little in a case like that to the purpose they thought it might be applied to.

424. Whether they have been interviewed by Members of Parliament or otherwise, do you think the thing has been a little overdone?—Yes. I asked one man whether he had received many visitors, and he said, "Yes, I have received a great many; the most sensible man who has been round has been Sir Charles Tupper," from which I gather that he had no complaint to make of the Canadian Government.

425. You gave it as your opinion that the soil and situation of Killarney were eminently suitable to crofter settlements, and I want to know whether, from your experience of Ireland, you think that this locality would be equally suitable for settlers from the west of Ireland?—From what I can see, I should say that there is nothing to prevent settlers from the west of Ireland succeeding quite as well as those from the west of Scotland; in fact, I cannot help thinking that in some respects their characteristics are very similar.

426. You think their habits would be very suitable, and that their experience of climate and so on would enable them to get on as well as the crofters from the Highlands have done?—I should be inclined to think so.

Mr. *Mahony.*

427. You do not put it forward that there is any resemblance, I presume, between the climate of Killarney and that of the west coast of Ireland?—I gathered from the question that the resemblance was as between the climate of the west of Scotland and the west of Ireland.

Mr. *Loder.*

428. I wanted to know whether you thought generally that the settlers from the west of Ireland would do as well as settlers from the west of Scotland?—Yes; and when I spoke of similarity of climate, I was speaking of the west of Ireland as compared with the west of Scotland, which, though it may not be quite similar, I take it is not very dissimilar: whereas the climate of Manitoba is, of course, entirely different from either.

His Lordship withdrew.

Sir George Baden-Powell, K.C.M.G. (a Member of the Committee); further Examined.

Mr. *Rankin.*

429. In your evidence I see it is stated on page 16, at the end of the second paragraph, that the Colonial Government were willing to undertake the whole of the expenses provided the Imperial

Mr. *Rankin*—continued.

Mr. *Rankin*—continued.

perial Government would loan them 150,000 *l.*, therefore we may take it that the Government of British Columbia are willing to guarantee the interest and repayment?—Yes.

430. Did they tell you at all the nature of the security which they would offer?—The security was the credit of the Government, meaning the whole credit of the revenue of the colony under the power they have of raising local taxation.

431. Would they put in the land as well?—Their credit was simply the credit of the Government. It might be that they would take means themselves. as against the settlers, in making grants upon mortgage advances.

432. That would be their security?—Yes; but their credit was the whole of the resources of the country so far as those can be controlled by the provincial government.

433. You said in the next paragraph that there were syndicates in England who were proposing to take over this particular proposal?—Yes; that there were two gentlemen representing separate syndicates in England, they happened to be in British Columbia, one whilst I was there, and one came just afterwards.

434. Did you gather that the British Columbian Government were proposing to employ those syndicates to carry out the work for them?—When I was there the British Columbia Government had not got further than having interviews with these gentlemen and agreeing to accept their offer, provided their conditions were favourably viewed afterwards.

435. Provided the British Columbian Government did not come to terms with such syndicates; were the British Columbian Government proposing to carry out the work themselves?—Yes, the British Columbian Government were proposition to carry out the work themselves.

436. By what means?—By Government employés. The Government proposal was for 1,250 families, and the Government were to carry out all the details; but in addition to that there happened to be two gentlemen in British Columbia, representing different syndicates in England, who offered different schemes to the British Columbian Government, and one of those schemes was to emigrate 150,000 people. It was a very large scheme, but it was quite distinct from the offer of the British Columbian Government.

437. Is the British Columbian Government proposing to utilise in any way the Colonisation Board which exists in this country, and which has been carrying out the crofter emigration?—Their scheme did not mention that Board. When I got there, they asked me for the whole details of that Board, of which they had heard but knew nothing.

438. Were they prepared to commence operations at once, supposing they got the loan?—The British Columbian Government were prepared, and they have been prepared for many years past.

439. That would be a scheme which would extend its operations over some years?—Yes; it would extend its operations over some years.

Mr. *Rankin*—continued.

440. Were they able to tell you when they would exact re-payment of the loan from the settlers?—No, I did not go into the details of their scheme or anything behind the offer of the Government.

441. Has the scheme which the Dominion Government have made out been tried at all?—No, it comes into the next financial year; they are willing to make these payments.

442. They have instructed their agents in this country to give notice to that effect?—Yes.

443. When was this vote of 150,000 *l.* made in the Dominion Parliament?—Last year.

444. That I think is something new during the last few years?—Quite new.

445. Will you tell the Committee how many years it is since the first vote on account of immigration was made?—I am afraid I could not tell you that; there have been votes, but I could not tell you when.

446. Not for the last few years?—Not for the last few years.

Sir *John Colomb.*

447. Did you visit Saltcoats?—No; as I stated, I did not go to either of the settlements.

448. You were in the neighbourhood of the settlements?—I was in the neighbourhood of Killarney.

449. But not the neighbourhood of Saltcoats?—I did not go near Saltcoats.

450. You said that the crofters could earn wages by labour in the neighbourhood?—As I understood from the evidence I gathered, not only they could but did.

451. And that many of them were indolent and showed a discontented nature?—Yes.

452. But that only applies to the Killarney emigrants, does it?—No, to both sets.

453. All these statements are statements made to you, not statements made from your own observation?—Not from my observation direct of the crofters because I did not see any of them.

454. Now with reference to your answer to Question 344, you say that when your left England there seemed to be some doubt as to how far Mr. Alexander Begg, who appeared before the Committee, was authorised to speak, or at all events to negotiate, on behalf of the Provincial Government of British Columbia; did you ascertain whether those doubts were justified or not?—Yes.

455. Would you kindly say what the result was of your inquiries?—That he was not authorised to negotiate. He had been authorised before this Committee sat to bring certain proposals before the authorities in England in order to ascertain their opinion.

456. But from what you heard out there he was not, when he appeared before this Committee, an authorised agent, either to propose or negotiate on behalf of the province of British Columbia?—He was not an authorised agent to negotiate; he was to obtain information as to whether the Imperial Government would entertain such a proposal.

 457. But

Sir *John Colomb*—continued.

457. But he made certain representations to the Committee as to what the Government of the province of British Columbia was prepared to do?—Yes.

458. Was that authorised by the Provincial Government?—That was with a view to ascertaining whether such a proposal could be entertained, but he was not authorised to make the proposal or to conclude the negotiation.

459. You name the ministers in British Columbia with whom you had an interview; with regard to those statements which they made to you, did you take them to be private statements, or semi-official statements, or official statements?—They made those statements to me in order that I should lay them before this Committee on their behalf.

460. Had they committed them to writing?—Not to me, personally; we had an interview, of which I made notes, and showed them, and they said that so far that was exactly their view, and they wished that I would lay it before the Committee.

461. Do you mean that it was the view of the Government of British Columbia or of individuals?—Of the Government.

462. Has the Government of British Columbia officially promulgated in any way a document stating that they are prepared to make these proposals?—They have not sent such a document to this Committee, because that document would have to deal with the Government. They wanted me to supply this Committee with information as to what they were willing to do with the Government.

463. Did you suggest to the ministers or the Government the propriety of making an official proposal to the Imperial Government?—What I wanted was to obtain from them information to lay before this Committee, not to obtain from them a proposal for the British Government to work upon.

464. You appear now before the Committee to represent the views of the Government of British Columbia?—Yes, to represent what they are willing and have declared themselves to be willing to do in connection with the Imperial Government.

465. Then, in comparing the nature of the proposals made by the British Columbian Government through you, and the nature of the proposals made through Mr. Begg, weare to take you as representing the views of the British Columbian Government?—Yes; and may I just point out that the scheme they told me they were willing to carry out is the first of the two schemes which Mr. Begg put forward, and which has been already submitted in writing to the Treasury at home.

466. Can you tell me if you are aware that they have in any shape or form, as a provincial Goverment, made representations as to what they are prepared to do to the Imperial Government?—Yes, they have; this was the first proposal they made, and this is the one they are prepared to adhere to.

467. And this is before the Imperial Government at home now?—It has been.

Sir *John Colomb*—continued.

468. Therefore that communication, subject to the sanction of the head of the Department, is obtainable by this Committee?—Yes; it has been placed before the Chancellor of the Exchequer, I think, two years ago.

Mr. *Campbell-Bannerman.*

469. Through the Colonial Office?—I think it was done through the Colonial Office, but by means of the High Commissioner of Canada. I am not quite certain of the exact channel.

Sir *John Colomb.*

470. In what particular does the proposal of the two ministers differ from Mr. Begg's?—It is the same as the first one mentioned by Mr. Begg, the point being to know whether the British Columbian Government were now prepared to carry out their proposal.

471. Then it amounts to this: that they are now making the same proposal, and they adhere to the proposal they made two years ago?—Yes. Perhaps I might just point out in connection with that, that since this proposal was made a modified proposal was made.

472. You do not know the dates when the proposal was made?—I think it is given in Mr. Begg's evidence.

473. Then, as a matter of fact, Mr. Begg was strictly accurate in his statement as to what the British Columbian Government was willing to do?—Yes, no one doubted his accuracy; the point was whether he really knew what the British Columbian Government would do at this present moment.

474. Passing for a moment to the action of the Dominion Government with reference to immigration, can you tell us when those regulations come into force?—I do not know whether they have been put in force yet, but I understood from several ministers that those regulations were to be put in force at once.

475. With reference to the closing words of that paragraph of the regulation of the Dominion Government, which bars assistance to all emigrants assisted by Her Majesty's Government, have you any information to give the Committee as to why that bar to co-operating with the Home Government is placed in the memorandum?—No, I have no particular evidence upon that point.

476. You have no evidence to offer to the Committee, from your communication with those ministers as to how far the Dominion Government are still willing to co-operate with the mother country in carrying out emigration?—They are very willing, as far as the free grant of land goes, but not for otherwise assisted emigrants so far as I know.

Mr. *Rankin.*

477. They regard those emigrants as assisted who are now sent out by the Government from Scotland, I presume?—Yes.

Mr. *Seton-Karr.*

478. Did the two ministers whom you interviewed, tell you where they proposed to colonise the 1,250 families?—They told me they had not

Mr. *Seton-Karr*—continued.

not settled upon the particular localities, that they had maps of British Columbia before them, and had pointed out several desirable localities, both on the mainland and on the sea-board, but that they had not resolved that those were to he the particular localities.

479. I suppose the real difficulty was the difficulty of choiee, because I am quite satisfied they have plenty of land on which to colonise those people?—Yes, not only the land but the industries; there were plenty of valleys not yet opened up for lumber.

480. The money was to be free of interest?—Yes, for the first five years.

481. Upon whom would the loss of interest fall?—If it was a loss it would fall upon the Imperial Government; there was to be no interest during the first five years.

482. So that the loss would fall upon the Imperial Government?—If you can call it a loss; that is to say, the Imperial Government would have to advance 150,000 without interest for five years.

483. Then, after that, of course, the Government of British Columbia guarantee the interest?—Yes.

484. I will ask you a question as to your answer to Question 345, where you speak about the "responsible commercial representatives of syndicates in England visiting British Columbia, proposing to take over this Government proposal, and with the financial support of the Colonial Government to inagurate a scheme of colonisation on the same lines, but on a far larger scale"; has that really come to anything so far?—I have seen one of the gentlemen since I have been in England, who told me that he was willing to go on with this scheme, but that he was waiting for the Report of this Committee.

485. That would be a business syndicate entirely?—Yes; the gentlemen I saw was the one, who proposed to emigrate 150,000 people.

486. Do you think it would be a good thing that it should be taken up by a business syndicate rather than by the Government?—If my opinion is worth anything I think it would be much wiser that it should be taken up upon a commercial basis than by the Government.

487. Had you any conversation with the ministers upon that point?—Yes, a great deal of conversation. I might add that it was the ministers who talked the matter of the syndicates over with me.

488. Were they desirous of carrying the thing out by syndicates rather than by the Imperial Government?—I think they were rather anxious, from what they told me, that their Government should carry out its own scheme with the Imperial Government; that is to say, the scheme for the 1,250 families.

489. But you said just now that they were rather inclined to carry it out with the business syndicate?—No. I consider that the two ministers seemed, personally, inclined rather to carry it out directly by the Imperial Government.

490. Supposing the Imperial Government were not to meet them in this way, would they, do you think, carry out the scheme by the aid of the business syndicates?—They seemed prepared to carry it out by the business syndicates, but those are quite different schemes from those of the Imperial Government, with regard to the payment of advances.

491. You say no substantial proposal has been made with regard to that?—Not that I have heard of.

492. At that time it was only a talk, and nothing more?—I saw the proposals of these syndicates on paper, but I have not heard what they are doing since.

493. Your view is that it would be more advisable that the matter should not be taken up by the British Government, but rather that it should be carried out by the private syndicates?—My opinion is that there is plenty of room for all three.

494. Can you tell us what you precisely mean by the "financial support of the Colonial Government" here referred to?—I think that in one case the proposal was that the Provincial Government should grant this land and give them a dividend on the shares, and in some way or other back their bonds.

495. That the syndicate should provide the capital?—Yes; that was one scheme.

496. That the Government should back their bonds and in some sense guarantee them a dividend?—Yes; the Provincial Government was also to give free land.

Mr. *Osborne Morgan.*

497. Did I understand you to state that as between a colonisation scheme carried out by the Colonial Government themselves and a scheme carried out by those syndicates, which I suppose are commercial bodies, you would very much prefer the latter?—Not quite that; I think that any scheme of this kind ought to be carried out on a business or commercial basis, but the Provincial Government would in any case aid a great deal.

498. Do you think a scheme for which the Provincial Government was responsible, but which was carried out by the agents of such a syndicate as this, would be the best way of carrying out the colonisation scheme; would that express your views?—In British Columbia, I think it would on the whole.

499. Would that apply to any other part of the country, the North-West provinces or Manitoba?—I think the Provincial Government ought also to have their say in the matter.

500. The North West territory is not a province yet, is it?—Not technically.

Mr. *Wodehouse.*

501. Mr. Begg first approached the Imperial Government in 1887, did he not?—I think that was the year.

502. His original proposal was that if the British Government would advance 150,000*l.* the colony would pay 3½ per cent. interest, provided that for the first five years no interest should be paid?—Yes, that was the first proposal.

503. The next proposal was that if the Imperial Government did not accept that proposal they

Mr. *Wodehouse*—continued.

should advance the sum with five years deferred interest at the rate of 3 per cent. for the whole time, the payment to be deferred for five years. Mr. Begg says: "I drew up an alternate proposition, asking for the amount, with five years' deferred interest, interest at a certain rate being paid for the whole time, but being deferred for the first five years;" not free of interest but only deferred?—Yes, not free of interest but only deferred. I might add that there was another proposal of deferred interest, the interest eventually to be 2¾ per cent.

504. British Columbia is the only colony, in which the local government has come forward to guarantee the payment of interest and the repayment of capital to the Imperial Government?—There have been proposals, I think, of the kind.

505. From any colony with a responsible government except British Columbia?—I do not know that they have ever come to very much, but there have been such.

506. I believe that all those schemes have fallen through because the Treasury insisted upon the guarantee of the Colonial Government before it advanced the money?—There were many other proposals one has heard put forward, but I do not know that they came to real negociations.

507. That objection has always been taken by the Treasury, has it not?—Yes, I fancy the Treasury always object unless the Local Government guarantees the principal and interest.

508. Do you think that the financial condition of British Columbia is a sound one?—In my own opinion it is in a very sound position at present, chiefly owing to the very rapid growth of the population. I might add that the capital of Victoria has very nearly doubled in population in three years.

509. You regard it as a thriving colony?—Yes, very promising indeed.

510. Of course, before any scheme of this kind could be adopted in the colony it would have to obtain the sanction of the local Parliament?—Yes.

Mr. *Wodehouse*—continued.

511. Was public opinion in the colony generally supposed to be favourable to a scheme of this kind?—I should say it was extremely favourable, especially just now.

512. Were the ministers whom you saw confident of passing such a scheme through Parliament?—Yes, they did not seem to have the slightest fear of passing it, or that it would not be a very popular measure.

513. If another government came in and this government went out they would feel equally confident of passing it?—I do not think I mentioned that point to them, but they seemed to be fairly confident.

514. I suppose the British Columbia scheme depends entirely on colonial management, at every stage, beginning with the selection of the emigrants on this side of the water?—Yes, they specially stipulate that they should have a hand in the selection; they said, however, that they were willing to take people from the congested districts, but that they must have a voice, at least, in the selection of the individuals.

515. You mentioned the other day that a favourable account has been given of the crofter settlements in Canada by a tenant farmers' delegate named Mr. Brown; will you tell me, if you please, how those tenant farmers' delegates came to go out?—The Canadian Government invited, through its High Commissioner in England, representative tenant farmers to visit Canada at their expense to note and to report upon to the people at home upon agriculture generally and the farming in Canada and throughout the Dominion.

516. How many went, do you know?—I forget exactly the number; I think there were four or five; they were the guests of the Canadian Government.

517. Who is Mr. Brown; where does he come from?—I do not know him personally, but I believe he is a tenant farmer in Caithness.

518. He comes from a crofter county?—Yes.

Dr. Clark (a Member of the Committee), Examined.

Chairman.

519. You paid some visits to the crofter settlements last year, I believe?—Yes. The evidence given before the Committee last year was so contradictory and conflicting, and in my mind unsatisfactory in regard to the colony at Saltcoats, which the Imperial Government had furnished money to a Special Commission for the purpose of carrying out, that I thought it desirable for the purpose of getting at the facts of the case to go and have a look at the colony at Saltcoats, from which we had that contradictory evidence. I may say I am the only Member of our House, and Lord Aberdeen is the only Member of the other House, who has visited the crofter colonies. I visited one, and he the other, in the last three months, so that any suggestions as to their having been visited by "Peers and Members of Parliament" does not convey a correct impression. I merely went for the purpose of verifying

Chairman—continued.

whether the letters that we have before us, as to which the question arose, were authentic or not. I saw the parties who had signed the letter; they stated that those were facts, and they had written the letters which had appeared, and that they had copies of them there, and you may see that in the letter I handed in they have repeated some statements of the former letter, so that so far as that is concerned the letters were not concoctions of Mr. MacKenzie, but were *bonâ fide* letters sent by the settlers. Speaking of Saltcoats, the present condition of the settlers seems to be as follows: that there were 49 families sent out; of those only a dozen took up the quarter sections allotted to them; the others looked round about before settling down, and they picked out their own locations. Fourteen were located at a place called Leach Lake which is about ten miles from Saltcoats; the other

35 families

Chairman—continued.

35 families were located in what is now called the Lothian Colony, about from seven to ten or eleven miles from Saltcoats on the other side.

520. But I suppose upon the same conditions as they would have been at first; the same conditions being offered them?—Yes, the same conditions. Of the 14 families who went to Leach Lake the head of one of the families died, and the other 13 families, after remaining for twelve months, all gave up their holdings, left their houses and their cattle and waggons, and went away back again east to look for work, and they got employment in the lumber trade about 300 or 400 miles east. Of the 35 families that went to the Lothian settlement, one, Kenneth Mackay, very soon returned to Stornoway, and four or five others, have gone away. One man has gone away, I understand, because his wife turned insane, and the names of those who have gone away from the settlement are Donald MacLeod, Finlay MacLean, Kenneth McLeod, Donald MacDonald, and Malcolm McLeod. So that, practically, 18 or 19 of the 49 families have given up their holdings and the property they got from the Government; one has come back again to Stornoway, and the others have gone to different parts of the country for other employment. With reference to their condition, during the first year they had a very poor crop, as it was a very bad season all throughout Manitoba, and the North-West Provinces, and the Canadian Government had to vote, not only those crofters but other settlers, money for seed, during the year 1890 they had one of the best crops that has been had for many years in Manitoba and the North-West Provinces. It has not only been a good crop as far as quantity and quality are concerned, but they have not had the early frost which so very much affects the yield. These districts seem to suffer from early frosts in August, which very seriously affect the wheat crop upon which they depend, but this year they have had a very fair crop, much above the average both in quantity and quality. The men arrived in April, and from the time they arrived in April until the April of last year they were maintained and supported by the Colonisation Board. For the first twelve months they were maintained and supported by the board, and the reason given by the people who left Leach Lake was that at the beginning of last season the board ceased to support them, and they had no choice at the time but to get credit during the summer by mortgaging their crop in the usual fashion or to go somewhere else. They were so disheartened by the results of the previous year's crop, and by the way in which they were treated, as they stated, by the agent of the board, that they thought they would probably starve, and to depend upon charity or upon the credit of the stores was to them a very precarious position to be in, so they went away. The others who remained, without exception, lived upon the advances given them by the store-keepers upon their present crop, and they all tell me it will

Chairman—continued.

take the entire crop they have got this year to pay the advances they got from the local merchants. Some of them tried to make a little money during the winter by bringing in wood for burning purposes to Saltcoats, but it happened to be rather a severe winter, with rather more snow than usual, and they found it very difficult to get the wood into Saltcoats; still some of them were able to do that, and were able in that way to make a few dollars during the winter.

521. May I ask you upon this point with reference to what you have been telling the Committee; did you learn that by inquiry on the spot?—Yes, I spent a couple of days at Winnipeg with Mr. Eden, who had charge of the district, and with Mr. Scarfe, the member of the Dominion Parliament for the district, and who had charge of the crofter emigrants, before this Board was appointed, and who made the Killarney Settlement: I got from them all the information I could get, second-hand information such as Sir George Baden-Powell also got. Then I went to Saltcoats to have a look round. I spent very little time there; I went down there on the Saturday and remained until Monday, and I was there during the Sunday when they have their services, and I met them after church was over. Then I drove round the various holdings and had a look at the holdings and met the people and talked to them and heard all that they had to say. Their condition at first was rather a hard one, because they had not prepared themselves for such a very severe winter, and they had not got clothing, but one of the missionaries of the Presbyterian Church, Dr. Robertson, who had been out there that winter, finding that they were suffering from want of clothing opened a fund; the consequence was that the agent of the Colonisation Board, under whose charge the people were, also ordered up material for them and served them with a certain amount of clothing. The Colonisation Board complained that whenever it was known to them that the people had not a proper outfit they got up clothing and supplied them with it, so that there was not any need for the strong appeals that were made for charity for those people.

522. Am I right in thinking that you are drawing an unfavourable contrast with the other settlers of whom we heard, because you think that the arrangements made for the Saltcoats people were inferior; is that so?—No; I was merely answering this question as to whether there was this terrible destitution which caused a number of people in Lower Canada to collect funds for these people.

523. That was the statement, that they had been left in this condition, that it was necessary to appeal to the charitable to relieve them; the reply of those responsible is that when they knew the fact they ordered clothing up, and that when the clothing came from those churches and charities of Lower Canada they had already supplied their wants; does not that imply that from what you have heard the arrangements at Saltcoats were faulty because we have not heard similar complaints about Killarney?—I do not

want

Chairman—continued.

want to blame anyone; I only want to state the facts.

524. If I understand you rightly it really comes to this: that the facts which you state point to the want of arrangements at Saltcoats?—Yes; I think they point to a want of due care at first in selecting the proper people; and, secondly, in seeing that they had a proper outfit before they started.

525. So that that would mean not that it would have been impossible to have made a good settlement at Saltcoats but that there were faults in the management?—Yes, as far as clothing is concerned. The general opinion out there of everybody, including Mr. Scarfe and Mr. Eden, who are the Colonisation Board out there, is that probably from 175*l.* to 200*l.* is necessary for every family to give them a proper outfit at starting and to give them a proper start.

526. The facts you are mentioning are indicative of faulty and improper arrangements, that is the meaning of it?—Yes, that is so. Then I asked about these statements with reference to the insecurity of the post office. They told me that two or three letters had gone missing, and that a large number of newspapers which their friends sent to them were never delivered; they were suspicious that their letters might be tampered with, but they could give me no facts, except those facts that certain newspapers which their friends stated had been sent to them had never been delivered, and that some of their letters had gone a missing. Those were the only facts they could give me for their suspicion that the Canadian Post Office was not to be depended upon. I do not think, looking at it as a whole, that they had reasonable foundation for that suspicion; I think the Canadian Post Office officials are like our own, and do not interfere at all with letters. No doubt they are a little more lax than we are, so that letters and newspapers may get occasionally lost. Even in the West Highlands the Post Office authorities are not so particular as they are in London and the large towns. So far as the present position of the crofters is concerned, they have had one bad winter and one bad summer, and they have had a remarkably good one, but they are now in this position: that those who have had good crops have got them all mortgaged. The land they were placed upon is the ordinary rolling prarie, and not at all so good as Manitoba itself, because the Red River Settlement is perhaps the best wheat-growing land in the world, but it is better than some portions of Ontario, and equal to Canada as a whole. That is in reference to the general condition of affairs. I asked Mr. Eden to wire down to have a trap for me, and to make the necessary arrangements, which he did. The man who drove me was the man who drove Mr. Eden and the farmers' delegates, Mr. George Brown and others, a man who has been down there for some years and knows everybody. I asked him to drive me to the most contented man and the most contented district, and then to a district where they were dissatisfied; and to my astonishment the show man to whom he drove me as believing him to be the most contented and the most industrious man was Mr. Doeherty,

Chairman—continued.

the secretary, who has written the letters which are before the Committee, while the man who was the most discontented was Mr. Robert Mackay, who signs the letter. I went to see the man whom they look upon as the most industrious and the most contented, and I wondered how on earth a man of the name of Doeherty came from Uist. It seems that his father was an Irish sailor, who had been wrecked there, and had remained upon the island. Doeherty was one of the men who, during the winter, had cut down wood and brought it into Saltcoats and made some money. He is probably six or seven miles from Saltcoats; but he said, and they all said, that they had had to undergo very great hardships and very great trouble, and that if they had any notion of what they had to pass through and to suffer they never would have left. But I ought to add that Doeherty said frankly, "Now I am here and have passed through all this, I will do my best and give it a trial for two or three years, and endeavour to make it the best for myself and for my family; at any rate, I am doing as well as I would be doing at home at Uist." So that as far as their position is concerned just now they are in debt to the Dominion Government, and they are in debt to the Imperial Government, or, rather, to the Royal Commission; and they are in debt to all the local shopkeepers as much as they can get. They have bought a lot of farming implements (there is a great deal of competition amongst the farming implement makers there, who offer upon very easy terms very costly agricultural implements); they have those, and they are very much in debt, and we may look upon this experiment to see what the result will be. So much for their position, so far as it appeared to me from my inquiries and from looking around. I called also on one or two of the other Scotch settlers who are near Saltcoats, and had a conversation with them respecting their prospects and the prospects of the settlers round about them. Some of these are East coast people, who were habitually more industrious and more accustomed to a higher standard of comfort than the West Highlanders. Those of them who have been there about the same time may have a little more land broken up and under cultivation than the crofters, but really I could not see that there was very much difference; the only difference would be that some of them had more capital, and in consequence were able to do more. If the crofters had had as much capital they would have been able to do as much as those about them. I would like also to mention one or two points as to which evidence has been offered from the West Highlands, dealing, of course, with facts, not opinions. I have visited the Lewes and the Western Highlands about fifteen or sixteen times: my first visit was about 30 years ago, and I am generally there for two or three months every year. I have found during that time that the congestion in special districts has been growing. I believe that there are some districts, in my humble judgment, where it is dangerous to allow the congestion to become any worse than it is at the present time; that you are developing practically pauper warrens in some

Chairman—continued.

some districts, in some of the islands, and in some of the districts on the west coast. I think that something will require to be done. I have seen during the last 30 years two things: first, a deterioration in the soil, which is very well marked, and a deterioration in the moral stamina of the people; they are becoming less self-reliant, they are becoming more dependent, and expecting the Government, or somebody else, to assist them; and unless something is done, I am afraid we will have a condition of things which will be very deplorable. Hence I think it is absolutely necessary, either by migration or emigration, to thin some of the districts, and to give the land of those who are taken away to those who are left. Now as to the soil, I am also travelling two or three times every year up the Highland Railway, and everyone who has been in the habit of going North, as, for instance, gentlemen who go shooting, will know that even looking for a dozen years at the lands they pass, such lands, for instance, as the Highland Railway passes up the Kildonan Strath, the grass is disappearing from them and is being replaced by heather, by rashes and ferns and moss, and that what one remembers as arable grounds is now scarcely to be distinguished from the unbroken ground round about it. Taking a dozen or fifteen or twenty years it can easily be seen by anyone who knows the districts. The real thing these people ask for is more lands; the whole concensus of opinion is in that direction, except, perhaps, that of Mr. Malcolm, who gave evidence before this Committee, who thought that they did not want more land, and who told you that although ten thousand applications had been made before the Crofter Commission yet only ninety of those had been for more land. Of course the crofters are very poor people, and cannot afford to spend money in law costs without any chance of being successful. Another reason of there being so few applications for the extension of the holdings has been the impossibility of the Crofter Commission extending the holding. There are different conditions laid down for extension, the principal being that you cannot extend on land under lease; and, as a matter of fact, 90 out of a 100 probably of the holdings in Scotland are held on a lease; possibly 95; and those not under lease are probably not contiguous, or not under the same ownership; so that it is impossible for the Commission to do more than they have done under the Act with the powers they have. The clause for the extension of the holdings was only to extend for five years, and the five years have ended.

527. The period was extended last year to November of the present year?—Yes. The original Royal Commission say in their Report that the one question above all others in the Highlands is the want of land, that the one thing asked for by the people beyond all others is more land; and now when the Crofter Commission is going round they are met everywhere by the people and you are told by the newspapers these pathetic accounts of the appeals by the people to the Commission for more land; so that the one thing they want is more land. Now as to the question of the amount of arable land, of the old arable land which has gone back and back into a condition of nature, and of the hill land, as it is called, though it is not on a hill very often, which has been reclaimed, there are in my humble judgment at least a million to a million and a half acres which could be made arable land, for to my knowledge land even worse than that has been cultivated and made into beautiful farms and very fine gardens. I will give you one case in my own constituency in which I had to act in reference to a decision given by the Crofter Commission to show what can be done when these people get access to the land. It is the case of Charles Calder, in the parish of Bower, in Caithness: he got twenty acres of poor bog land. I do not think that in the county of Caithness you will find worse land than what this man has. He has trenched it, and has drained it, and made it as fertile as any land in the county. You have to wade to it; you cannot get to it very well by road. I mention that as an instance of what can be done at home without capital. This man, Calder, was a shepherd; he had no money; he settled down upon this moss, and began bit by bit reclaiming it, with the assistance of his family, and he is now getting as good crops as anybody. He has built his house, and is as good a specimen of a small farmer as you will find in the three Kingdoms, and all from land as to which you probably in Caithness will not find anything worse.

528. Bog land may be very possibly very good land, may it not?—It is very often very good land. Then as to the arable land, it is difficult to say what is arable lands, because a lot of the old arable land has gone back to the condition of nature. But a large portion of the land now devoted to sheep could be made into as good land as this land I speak of has been made.

529. That is a statement which has often been made. Have you any estimate of the amount of land under sheep or in deer forest which is available for such purposes?—Yes, I have. You have in the evidence before the Royal Commission of the year 1883 some returns, and I have been trying to get some further information, and Mr. Donald M'Crae, the secretary to the Highland Land League, has been trying to do the same, and I wish to bring before the Committee that since 1883, since the Report of the Royal Commission, over 1,100,000 acres have been afforested.

530. That is to say, the sheep have been taken off?—Yes; principally in Sutherlandshire, but also in Ross-shire and Inverness-shire. In Sutherlandshire there is Glendhu, 128,000 acres; Strathmore of Melness, 80,000 acres; Corry Killoch, 80,000 acres; Ben Hee of Skinness, 40,000 acres; Glen Caniop, 60,000 acres; Coulmore and Coulbeg, 40,000 acres; a farm in Kildonan, 80,000 acres; and Mudale, 3,500 acres, making 511,500 acres in the county of Sutherlandshire alone. I brought this before Mr. Angus Sutherland, who is the Member of Parliament, and his estimate is only from 2 to 3,000 acres different in half-a-million acres.

Chairman—continued.

531. But the point involved would be, would it not, whether you are aware of any portion of that land which was suitable for arable purposes?—Yes; to finish these figures, in Rossshire there are 340,000 acres of afforesting since 1883, and in Inverness shire 250000; thus showing that in those three counties alone, 1,100,000 more acres have been added to the forests. Now, as to the condition of those forests, in almost every one of them there were old townships, which were held under the old Highland tenures before they were turned in the middle and at the beginning of the century into sheep farms. When you are dealing with 3,000,000 or 4,000,000 acres it is very difficult to estimate how much of that has previously been arable land; but a very large portion of it has been arable, and may be again made arable.

532. That assertion is quite of light value unless it is founded upon some sort of calculation; merely to say that amongst a million acres there must be much arable land, unless there is an estimate or some particular number of acres given, say 5,000 or 10,000, does not give us anything to go upon?—All that one could do would be to speak from personal knowledge of one county, and that would not apply to other counties. The only way in which we could determine that would be by the appointment of a Commission, and I think the question is worthy of it, in order that we might determine it more accurately than it otherwise could be given. Mr. Malcolm, representing the deer forests, sent out inquiries, and asked how much of them was arable land. People would look round and say, so much is arable, and so much is not; but that which they say is not arable, has been previously arable, or could easily be made arable. I could easily point out districts in which that has been the case, but there has been no official inquiry; nothing to collect evidence upon the point. I could procure the Committee any amount of local evidence from people living in the locality as to what had previously been farm land.

533. You have no special evidence?—I have a large amount of that evidence in the four large volumes of Lord Napier's Commission.

534. We know what their recommendations were?—Yes, we know that their recommendations were that there should be a limit to the formation of deer forests, and that they should not be formed below a certain altitude; that, however, has not been done, and the number is increasing. Now, I would say a word as to local feeling with regard to migration or emigration. I have raised one point which has not been taken up enough, and that is the question of congestion; that affects my county of Caithness less than any of the other crofting counties. Caithness is much more like some of the lowland counties than the highland counties, so far as the large amount of arable land is concerned. We have something like 40,000 people in the county, of whom 25,000 are in agriculture. Now, over one-half of the entire arable land in the county is held as tenants by about 25 individuals; the other half, or less than half, is held and occupied by the 25,000; and, going over our railways, you will run, say, from Georgemas Junction, going to

Chairman—continued.

Wick, for several miles through an arable farm, Old Hall, held by a Mr. Davidson with some other farms; all arable land, not sheep farms, and you will find the people congested upon the sea shore in Caithness who had been living upon these lands before they were turned into large farms. They were turned into large farms by a number of proprietors, who thought that agriculture upon a large scale would pay better than on a small scale, seeing that manufacturing was thought to pay better on a large scale than on a small scale. The result, however, I find is, that numbers of the men who have done that are now bankrupt, or under trustees, and that the landlords in the county who are the most comfortably off are those who have not consolidated; that whereas in the case of the small farmers from 50 *l.* to 100 *l.* a year, their landlords are getting their rent and are able to live fairly well; the men who have spent this money upon improvements are not getting 2½ per cent. upon their expenditure from the new tenants, and there has been a larger reduction made upon the large rents than there has been upon the small ones, the average being over 50 per cent. reduction. That is one of the conditions we have. I may mention that Mr. Brown, the gentleman who went out with the deputation to Canada, and who is a very able agriculturist, is living in a mansion house of the old estate as a farmer; he is a very large arable and sheep farmer; he and his brothers have some very big farms in Caithness; but the feeling is that the Browns have too much land, and that the other people, if they had a portion of their land, would be much more comfortable.

535. I am afraid that we are travelling a little out of the range of our inquiry, because you are just now pointing out the comparative advantages of large and moderate sized farms, which is not the point we have to consider?—I was pointing out that the congestion is due to the clearing away of those people to form the big farms, showing that economically it has not been a success, and that while that exists there will be less likelihood of the people adopting any scheme of colonisation unless you have with it the opportunity of migration.

536. Then, in order to make these large farms available for crofters you would have to buy them up, because the landlord would hardly be inclined to cut up a farm voluntarily into a great number of petty holdings?—The Act permits the Crofter Commission now to do that, with certain limitations. The Royal Commission recommended that course, and the Conservative Government, which brought in a Bill, and the Liberal Government, which also brought in a Bill, both accepted that principle.

537. That is to say, upon the same estate; but they are not free to enter compulsorily upon another estate and transfer the crofters to it. These large farms that you are speaking of are not in crofting parishes at all, are they?—Yes, they are all in crofting parishes; only two or three of the parishes in Argyllshire are not crofting; every parish in the whole six counties, with the exception of a few in Argyllshire, have now been determined to be crofting parishes.

538. Your opinion is that the powers under section

Chairman—continued.

section 13 of the Crofters Act should be more extensively made use of than they have been hitherto?—Yes. In my humble judgment, also it would be desirable to try some of the experiments proposed for Ireland in the West Highlands. The sheep farming is not paying, and you have only one of two courses that will take place: either they will increase the forests, and I have shown you that within the last seven years there has been a million or more acres put into forest as the owners have not the money to assist in placing upon the land the class of people who would pay them and pay the community better by being on it; or they must, and I think a number of them would, be very glad to sell their estates in order that some kind of home colonisation could be carried out. I speak from having had negotiations with certain Highland proprietors who have large estates, and who would be willing to assist in an experiment of that kind if it were tried.

Mr. *Rankin.*

539. There is only one question I should like to ask you, and that is this: you stated, I think, that you had observed in travelling that land which had been once in cultivation had gone out of cultivation; how do you explain that when you say there is a great desire for more land in the Highlands?—Because the proprietors will not permit the people to go on those lands; they have let the land on leases either for deer forests or for sheep farms.

540. Then this land you alluded to is either deer forest or sheep land?—Yes.

541. Are we to understand that either as regards deer forest or sheep lands or both of them they pay better than small holdings?—I think that sheep farms do not now pay better than small holdings. I think if you could have some of the large Highland proprietors, like Cameron of Lochiel, for example, before you, they would tell you that they have been nearly ruined by having to take over their large sheep farms into their own hands; but sporting holdings still, no doubt, pay better than small holdings would.

542. You mean to imply that the Scotch landowners who have turned their small holdings into sheep farms have made a mistake in their own interests?—Yes; I believe that if they could go back to the condition of things that existed before, or if they had the capital to do it, they would be glad to do it, and save greater deterioration. Again, you will find farms which could formerly carry 10,000 sheep which now only carry 4,000, owing to the deterioration of the pasture. That land was rendered good by drainage; when the labour was taken away and the drainage ceased the ferns or brackens, as we call them, and the rushes and all that kind of thing, began to grow.

543. Your statement is that the landlords in Scotland are now beginning to find out that they have made a mistake in their former policy of making large farms?—Yes.

Sir *John Colomb.*

544. Did you hear in Canada that a great number of Dominion Members of Parliament had visited these settlements?—I did not hear that.

Sir *John Colomb*—continued.

Mr. Scarfe, who was the first agent, is Member of the Dominion Parliament for that district.

545. Now, with reference to the 18 crofter families, I understand you to say that 18 crofter families out of 49 left the settlement?—Yes.

546. Did they take their families with them?—Yes. As far as the Leech Lake people are concerned they went away together; they left the property the Government had given them upon their holdings, and it is practically a deserted colony.

547. Have you taken any trouble to inquire where they got the money from to move all their families to other localities?—No, I do not know how it was done; they would probably sell some of their property; they had a lot of property, and they would probably sell their effects.

548. But the effects must have been of considerable value, must they not, to have enabled them with whole families to travel?—Perhaps. I do not know that; I do not know how the money was got, nor anything at all about it.

549. Did one of the 18 families return to Stornoway?—Yes; Kenneth Mackay returned.

550. Did he return with his family?—Yes, so I was informed.

551. That is a very expensive journey from Saltcoats to Stornoway; can you at all suggest where the money was forthcoming from to enable them to travel that distance; did not that strike you at the time?—I might now say something of the class of people I have seen there. One man had lived many years before in the Hudson's Bay territory; he had gone back again to Scotland, and was rather an oldish man when he was taken out.

552. But what I want to get at is this: you say these 18 families moved bodily away from the settlement; did you make any inquiries as to how the expenses of travelling and moving of whole families in that remote place were obtained?—No; Mr. Eden might have told you, because when I saw him in October he told me that he hoped to get them back again, and that he was going east from Winnipeg to see if he could get them back again to their holdings.

553. Have you formed any opinion from your experience what the probable cost of a family moving from Saltcoats to Stornoway would come to?—It depends upon the number of the members of the family, but I should say that it would perhaps take from 50 *l.* to 60 *l.* for an ordinary family.

554. From what you saw of the effects of the settlers remaining there, do you think that their effects would have realised 50 *l.* or 60 *l.*?—No; but there has only one returned to Stornoway. The Leach Lake people all went to a place called Rat Portage, which is a great lumber district upon the Canadian Pacific Railway.

555. What do you suppose would be the average cost of moving an average family of seven persons from Saltcoats to that lumber station?—The distance is nearly 400 miles, and it would cost about 1 *d.* or two cents per mile.

556. And then there would be other expenses?—It would be about a day's run by train, but I do not know what they sold. I understood that some of them had left their waggons; they had waggons and oxen, and other property which they

Sir *John Colomb*—continued.

they got from the Government which they had to repay, so they may have sold their oxen and waggons. I asked the question, and I know that some have left their waggons; others may have sold them.

557. Did they sell their holdings?—No; nobody would buy a holding, because there was a mortgage upon it, so they could not sell it.

558. Have you formed an opinion as to how you can account for the results of the Saltcoats settlement, from your evidence, presenting an entirely opposite condition to those of Killarney?—The same condition of things exisied in the early stages of Killarney. The Killarney people have had rather a longer spell, and they have got over, perhaps, the first and the worst impressions, and they are settling down there more comfortably, and looking at the place with different eyes from what they did at first.

559. And that you anticipate may be the case at Saltcoats?—Yes, probably.

560. Then the evidence which we have as to the stoppage of the letters of the crofters and the complaints of the Canadian Post Office, I understand you regard, from personal inquiries, as being unfounded, undoubtedly?—Yes, I could find no facts upon which they were based.

Mr. *Seton-Karr.*

561. Had you been out to the place before?—Yes.

562. So that you are well acquainted with that part of America?—I would not say that I am well acquainted with that part of America, but I had been to Canada four or five times before.

563. How long were you at Saltcoats; a day?—I went down on the Saturday and I came back on the Monday, so I was there a portion of three days.

564. I think you said there were 14 families 10 miles one side of Saltcoats?—Yes.

565. And 35 at Lothian?—Yes.

566. How far is it from Leach Lake to Lothian?—From the holdings nearest Leach Lake to Lothian would be four or five miles.

567. Did you go to Leach Lake?—I did not go there, because there was nobody there; they had gone away in April, and I was there in October. One died and the others went away in a body, because they ceased to be maintained by the Colonial Commission; they were maintained for 12 months, and then, as the money for their maintenance ceased to come, they went away to to get a living somewhere else.

568. Where did they go?—They went to Rat Portage.

569. Are they doing well there?—I do not know; my evidence was from Mr. Eden, who said he thought they were doing fairly well; he had hopes that he might be able to induce them to return; but last time he told me he was afraid they would not return.

570. But you visited the 35 families at Lothian?—Yes.

571. Were you favourably impressed with the nature of the land for agricultural purposes?—I think it is very fair land.

572. Far better than the land they left at home?—I would not say that; I think we have as good land as you have anywhere in the North-West Provinces; not perhaps so good as in the Red River valley, because I do not know that they have any better land anywhere on the earth than that; there are from 20 to 30 feet of black soil.

Mr. *Seton-Karr*—continued.

573. But I am speaking of the rolling prairie in Saltcoats?—I think we have as good land in Scotland as you have at Saltcoats.

574. Do you think you could raise wheat in Scotland as you can at Saltcoats?—We have had some good crops. I am told that at Ontario, 30 or 40 years ago, they used to have early frosts. In Manitoba and the North-West the one thing they dread is an early frost coming in and seizing their wheat; if it does they may just as well use it for fuel as do anything else with it, but that has not been the case this year. I made inquiries amongst settlers and found that if they had had a bad season last year it would have brought them all nearly to bankruptcy. I was told by one man that they were sitting up nearly all night when the early frosts were expected, to see if they would come, because it was so important to them with a good crop not to have it spoiled by an early frost.

575. But these early frosts are not common, are they?—Yes, they are very common in that country.

576. Which is the last year they have had autumn frost-bitten wheat?—They had some this last year.

577. Where?—In the more northerly portions. In the more southerly portions, where you have a range of hills or a lake, you do not get so much frost; they are protected.

578. The more northerly portions of Saltcoats?—North of Saltcoats, and in some places south of it.

579. I am asking these questions more particularly about the wheat crop, because you will admit that their welfare depends upon that?—Yes, their welfare depends upon that.

580. Given a good wheat crop, are they bound to do well?—They get, perhaps, 75 to 80 cents a bushel, and it costs about 40 cents to take it to the sea-coast. Were it not for the terrible cost of haulage over from 1,600 to 1,700 miles of railway they could do very well indeed, but it is so far away from the sea that it takes away all the cream. My own impression is that by-and-by there will be a good deal of mixed farming in the district; mixed farming will do very well.

Mr. *Rankin.*

581. Is not the ground more favourable for cattle raising in that district than even for wheat farming?—But the feeding during the severe months of winter is a difficult thing; they require to house them in sheds and to have fodder for them. I do not know that it is so good for cattle there as it is in the south.

Chairman.

582. Is it possible for horses; they will live where the cattle cannot?—Yes, the native horse will live anywhere, because they kick up the snow with their heels.

Mr. *Seton-Karr.*

583. Do you see any reasonable prospect for a native market in the future?—I think there will be

Mr. *Seton-Karr*—continued.

be a large mining industry in the western portion of Ontario, and that that will open up a market. If those nickel mines which they are opening turn out as it is hoped and expected they will, then there will be a market for all kinds of produce.

584. Have you the figures of the number of bushels of wheat for this last year?—No; when I was there the men had not threshed it out so that I could not give the figures; they told me they expected to get about 25 bushels.

585. Do you know any part of the Western Highlands where they can get 25 bushels to the acre?—Probably not in the Western Highlands, but in Easter Ross they might possibly get that quantity. The Western Highlands is not a wheat-growing place; their wheat is oats, so to speak.

586. You admit that in Saltcoats and Killarney there was a want of good selection in the people and in their outfit?—Yes, I think so.

587. Do you think that if they were better selected and better fitted out they would have a better chance of success?—Yes, they would have a better chance of success.

588. I think in your remarks about the present state of the Western Highlands you referred to the congestion, and you said you thought the remedies were either migration or emigration?—Or perhaps both combined.

589. I suppose what you saw at Saltcoats has not discouraged you from advocating colonisation, if necessary, in the future?—That is clearly a matter of opinion; personally, I think that we ought to utilise our own waste lands before utilising the lands of a colony. I agree with one witness who stated, and my own experience has been the same, that you have more emigration amongst the well-to-do crofters and small farmers; you always find that it is more difficult to get the smaller and poorer people to go than the better class, who make a much better class of colonists.

590. Do you think that the class of colonists sent out to Saltcoats were as a class a fair average selection from the people they came from or not?—Not knowing the people who were offering, I could not say. Before I ventured an opinion as to that I would require to know who offered. There was a kind of feeling at the time that one of the reasons which actuated those people who did offer was that they thought they were a kind of "blacklegs" (the phrase now adopted), and that because they assisted this arrangement they

Mr. *Seton-Karr*—continued.

ought to have special advantages and be specially taken care of; that they were conferring a favour by taking part in this scheme; because there is no doubt whatever that the feeling was rather against that emigration scheme, because it was thought that the migration scheme was being run against their own demand for more land at home, and as those who took part in it were not in accordance with the local feeling, they expected more from their willingness to take part in the experiment.

591. So that for that reason you think the better class of men did not apply?—I do not think they did.

592. Do you think that that feeling exists now?—I think that feeling exists, and will always exist until something is done to give them back what they consider "the land of their fathers;" to give them the chance of doing better at home. If they could have the choice of migration or emigration, in my opinion, a good deal of that feeling would disappear. If they thought that this scheme was being used for the purpose of preventing what they considered a scheme of reform they would oppose it; but if they felt that it was not put forward in that fashion I do not think you would have a strong opposition to it.

593. With reference to this letter you put in, do you wish to tell the Committee that this is a fair description of the state of things at Saltcoats?—I merely put it in for what it is worth. It really refers to the correspondence upon the point that was raised by Sir John Colomb. Having had the statements made by the various witnesses I said to the crofters, "Let me have your statement in writing." I have had various experiences; I have crossed in an emigrant ship; I have have had charge of emigrants, both whites and coolies; I know what emigrants expect. Even men going across to America in one of those very fine ships, which make a six days' run, will have to submit to certain inconveniences. People do not realise until they have gone away that they will land in a new country, and it is very hard for them to meet with new conditions which they have not been accustomed to; but when they do become accustomed to them they settle down. I have been in every one of our self-governing colonies, and been to the early settlements in them and seen them, and whether they were English, Irish, Scotch, or Germans or Norwegians, the circumstances were very much the same.

Friday, 13*th February* 1891.

MEMBERS PRESENT:

Sir George Baden-Powell.	Mr. Loder.
Dr. Clark.	Mr. Mahony.
Mr. Munro Ferguson.	Mr. Osborne Morgan.
Sir James Fergusson.	Mr. Wodehouse.

SIR JAMES FERGUSSON, BART., IN THE CHAIR.

Mr. WALTER PEACE, called in; and Examined.

Chairman.

594. YOU are the Government Emigration Officer for Natal?—Yes.

595. I think you were not in this country when we had official evidence from the other colonies?—No, I was then in Natal.

596. How long have you occupied that position in London?—Eleven years.

597. The Committee have had information, of course, from the colony, as to the opinion of Natal, with regard to what is called the Colonial Office scheme, but will you tell the Committee what are the systems of emigration now carried on to Natal?—There is one system of granting passages at the charge of 5 *l.* per adult, and 2 *l.* 10 *s.* for children under 12 years of age, for people nominated in the colony, who must be either the relatives of the applicants, or those who have entered into contracts for service with people resident in the colony. That system is expanded by my granting passages in London at the same rate to people similarly circumstanced, on being satisfied of their *bona fides*. There are also free passages granted to agricultural families, who go out to settle on the new settlement at Weenen, and to domestic servants.

598. You have furnished the Committee with a report upon your agency, which gives full particulars of the classes and trades of the persons whom you have sent out?—Of the persons whom I sent out last year.

599. Generally speaking, you desire to send out artizans rather than agricultural labourers; is that so?—No, I cannot say that; there is a greater desire in the colony for agricultural labourers to be imported than for artizans; but there are more openings for immediate occupation and better wages offered to artizans as an inducement.

600. But in the year 1890 you do not seem to have sent out any agricultural labourers, unless they come under the head of "relatives of residents"?—They are included with "farmers, labourers, gardeners, and stablemen."

601. Taking all those four classes, farmers, labourers, gardeners, and stablemen, there were only 82 in all those four categories out of a total of 1,036?—Yes, 82.

Chairman—continued.

602. And of those, only 43 were men?—Yes.

603. So that the number of farm labourers included in that must be very small?—It is.

604. Am I not, then, correct in saying that you have not been sending out agricultural labourers to any extent?—Not agricultural labourers to any extent. At the present time, finding that there are so few agriculturists going to the colony, a new scheme is being prepared, for the express purpose of inducing agriculturists to go from this country in larger numbers.

605. Then you think that Natal is suited for British farmers, working by white labourers?—I do.

606. Is it the common practice in Natal for farmers to work themselves, or by their white servants, and not with native labour?—They work in all the ways you have mentioned. There are many comparatively rich farmers in the colony at the present day, who were farm labourers at the time they went out. They have brought their farms into cultivation, and they have some very beautiful homesteads; but the climate on the coast being warmer than that up the country, and on the coast-lands the cultivation of sugar being the principal industry, the natives have been employed there, and also coolies imported from India.

607. Is it thought that European labour is, on the whole, as cheap as native labour?—My own opinion differs from that of a great many in the colony. I think that it would be advantageous to the farmers to import European labourers far more than they have done. In the memorandum attached to my report I make special reference to that subject in question.

608. You say in your remarks, "Irish peasantry now on the verge of starvation should be able to give labour quite as cheap in point of value, and more reliable than that of Kaffirs, on many portions of the railway lines, and find good employment afterwards"?—That is one sentence, and the sentence before that I would beg might be quoted.

609. "Another method by which the European population of Natal might be safely increased, would be the introduction of men to work in the construction

Chairman—continued.

construction of railways on terms which, including an allotment of land suitably situated, would induce them to take out their families and settle them on the allotments." Then you incline to a belief in the advantage of the men working for wages, in the first place, before they settle down upon holdings?—Yes, those who have not much capital to begin with, and no experience of farming.

610. That is better, in your opinion, than making an experiment without education as it were?—Yes.

611. Will you tell the Committee, please, what are the conditions of sale, or disposal, of Crown lands?—The present conditions have a tendency to keep people who have no connection with the Colony from applying for Crown lands, because of the delay which takes place after they have made a selection, which in itself is a very difficult thing for a person who is a stranger in the Colony to do, the bulk of the Crown lands lying far away from the main roads, and railways. Again, they have to bid for them. All Crown lands are offered for sale at the Government upset price, and the selector has to attend at sale, in order to see whether he can purchase the plot of land he wishes to purchase for himself: it is an open auction, so that any one else can bid for it. There are, however, other lands, which are handed over to the Land and Immigration Board for disposal, without public sale.

612. What class of land is that that is offered without public sale?—Both pastoral and agricultural, in different parts of the colony.

613. Then those auctions apply to certain selected areas?—Yes.

614. On what principle is that difference made between the public sale and the other kind of sale?—The public sale is obligatory on all Crown lands, except those which are allocated to the Land and Immigration Board to deal with to immigrants. The terms of payment vary. If the Crown lands are bought outright the upset price is 1 *l.* per acre, or, if bought subject to the condition of beneficial occupation at 10 *s.* per acre, payable by 20 annual payments of 6 *d.* per acre without interest.

615. As regards those lands which are set apart for immigrants, what are the conditions of sale?—They vary in each settlement that I have had to deal with. There have been three settlements formed during the last 10 or 11 years.

616. Will you tell the Committee about those, please?—The Wilge Fontein (or Willow Fountain) Settlement was founded by 23 families, who sailed by the steamer "Nyanza" in June 1880; they consisted of 48 men, 33 women, and 56 children, equal to 137 souls. Each man was possessed of a minimum capital of 100 *l.* Some of them had several hundred pounds of their own. Free passages were granted from London, and also transport from Durban to the allotments, and tents were lent to the people for three months. The land was free to the tenants for two years, and then they were first required to pay 2 *s.* 6 *d.* per acre per annum, for 12 years, equal to 30 *s.* an acre; but in consequence of complaints which arose, the price was reduced by 20 per cent. to 24 *s.* per acre. Those people

Chairman—continued.

were located upon a farm at Willow Fountain, six miles from Pietermaritzburg, bought by the Government with the intention of having market gardening conducted there for the supply of the City of Pietermaritzburg, where vegetables were very scarce and dear. The passages of those people cost 2,038 *l.* 15 *s.*

617. What would that be per head?—£. 20 per adult; that was in 1880. That has been a very expensive experiment.

618. That was a sort of second-class cabin rate?—That was so. I have the results of this settlement in 1889, and I can give you the particulars. I should, in the first place, say that three families declined to take up their allotments when they arrived out. There were, at Willow Fountain, in 1889, 20 families, but a total of only 64 souls. The position of the people is that their allotments are paid for, and titles are being granted in advance of the stipulated period. They have 681 acres of land under cultivation, and their live stock consists of 25 horses, 372 oxen, 15 sheep (it is not a sheep district), and 33 pigs. Of implements they have 25 waggons and carts, 56 ploughs and barrows, and they have erected 15,650 yards of fencing. Very few of the settlers had ever been engaged in agriculture before they left this country.

619. Was there any cost to the Government in respect of those settlers beyond the cost of their passages?—There was the cost to the Government of 4,000 *l.* for the farm and for the transport of the people from the port on their arrival.

620. But the people have paid for their land?—The people have only paid a portion of the cost. The allotments were from 40 to 160 acres in extent, and that is the whole amount upon which the people paid. The balance of the farm was given to them for commonage, so that it has been a very expensive experiment to the Government of Natal.

621. We can now pass from that. What is the next settlement?—The Marburg settlement, which will perhaps give more useful information. The settlers were a party of Norwegians, whom I sent out in the steamer "Lapland" in July 1882. There were 50 families, numbering 229 souls. The people went out banded together as one party. I have not the amount of capital per family, because they put their money together, and I gave them drafts payable in Natal. Their money capital was 2,700 *l.*, and their personal baggage was valued at 1,300 *l.* Their passages were provided free from London to the mouth of the Umzimkulu River, six miles from where the people were settled, and huts were erected for them in advance of their arrival. Each allotment was 100 acres, with right of commonage over 2,000 acres. The terms for the land were two years free, and afterwards 10 yearly payments of 9 *d.* per acre, equal to 3 *l.* 15 *s.* per acre per annum, making the total cost of the land to the immigrants 7 *s.* 6 *d.* per acre. In 1889 there were 50 families still, numbering 244 souls, and employing 105 natives on their farms. The allotments were nearly all paid for, but few instalments being in arrear. They had 259 acres under cultivation (last

Chairman—continued.

year when I was there I found they had 360 acres. Of live stock they had 36 horses, 572 horned cattle, and 164 pigs; and their implements consisted of 25 ploughs, and 15 waggons and carts. To this I may add, that instead of the huts to which they were sent, most of the settlers have now got good stone or red brick houses, and have erected a windmill for grinding their corn.

622. I suppose that again is a successful experiment?—It is a successful experiment, for special reasons which, perhaps, it would be advisable that I should explain. The people would have been obliged to vacate their holdings if they had not had other means of earning money. Steam communication between the Umzimkulu and Durban ceased within a year or two of their arriving out, and they were left practically without a market, but they were very industrious and very frugal people, and they banded themselves together, many of the men going to the diamond fields, and others working on the public works in Natal; latterly, especially, the men went to the gold fields at Johannisberg, and earned high wages, which they remitted to the settlement.

623. Then it could not be called a fair example of an experiment in a special settlement; there were exceptional circumstances which contributed to its success?—Yes, I believe there will always be in every new settlement; there must be, I think.

624. What was the total expense to the Government of that?—The outward passages cost about (I am speaking from memory) 1,800 *l.* or 1,900 *l.*, and the erection of huts would have cost about 250 *l.*, that being the total money outlay by the Government; the land was Crown land.

625. They were not asked to repay any part of that?—No, they were not asked to repay any portion of the preliminary expenses.

626. That is about 2,150 *l.* for the emigration of 50 families, consisting of 229 souls?—Yes. There has been another settlement which is conducted on a very good principle indeed, in Natal, the Weenen Settlement; there the land is exceptionably rich; every inch of it can be cultivated, and it will produce two good crops per annum, the Government having constructed a watercourse to enable the settlers to irrigate their 50-acre allotments. Each settler has commonage over 13,000 acres, and the lots are occupied alternately by old colonists and by the emigrants whom I have sent out from this country; free passages are provided for the whole family in the case of those who have a capital of 200 *l.*, but I cannot fill up the number, though I am advertising the conditions from Cornwall to Aberdeen and in Dublin; the people who answer my advertisements are not farmers of 200 *l.* capital; they are tradesmen of different kinds and clerks.

627. You have not in Natal gone in for immigrating from this country the class of people we have been hearing about chiefly, that is to say, persons of little or no means, who go out upon money advanced which has to be worked off?—We have not done any of that.

Chairman—continued.

628. And the colony is not disposed to do it?—That would depend upon the amount of money, I presume, the settlers would have at their command as advances.

629. At the present time the colony has not contemplated any such scheme?—No, not as yet. The Land and Immigration Board have been rather waiting, I think, to know what this Committee would do. As to the general conclusions I have formed upon the question as submitted to this Committee, I have prepared a few remarks which, if you desire, I would submit to the Committee.

630. I would ask you one or two questions first; what money has been voted by Natal for emigration purposes?—£. 10,000.

631. Will you tell the Committee what you propose to say; you are now going to speak as to your experience or suggestions—which?—To give certain suggestions based upon my experience. In reply to a deputation which waited upon him some three or four years ago with regard to State-aided colonisation, the Marquis of Salisbury said he rather thought that what we should desire, if attainable, was a system of State-directed emigration ending in State-directed colonisation; and I think he meant to intimate that State-directed emigration was all that the Home Government could undertake, leaving colonisation to be directed by the colonial governments. I quite agree with that. If the Home Government be so disposed it is quite practicable to promote the emigration of a large number of people who will not and perhaps cannot emigrate without more inducements than colonial governments now offer. To do this it would only require to reverse the system hitherto carried on by colonial governments, and appoint agents in the different colonies, whose duties would be to find engagements and other suitable openings for emigrants who would be sent out at the expense of the Imperial Government. Of course, the colonial governments would like to be consulted before such a system was introduced, and I do not suppose for a moment that it is likely to be for some time to come; but he would be a bold man who would maintain that such action will never become necessary or be adopted. Another possible method of stimulating emigration would be by the Imperial Government agreeing to provide passages on the condition that colonial governments would undertake to extend their present systems of emigration and direct special operations to such districts as would be indicated by the Imperial Government. The benefits of such a joining of hands would be mutual, and the Colonial Governments would have the entire control of the operations in their own hands. As to congested districts, the only ones which have been publicly referred to, and in which it might be supposed that there are a large number of would-be emigrants of such classes as are considered acceptable from a colonial point of view, are the Highlands and Islands of Scotland and the West of Ireland. But whether the people are really of the right sort to make good colonists is a question on which I keep an open mind, as I have never visited those districts. I frankly confess, however, to the expectation that only the young and most

Chairman—continued.

most vigorous amongst them would be found suitable, and they, for the most part, not as occupying owners in new settlements from the beginning, but as servants to others. Any system for promoting a large emigration to relieve such so-called congested districts as the East-end of London or other populous cities and towns, would be met with such opposition from the colonies that it need not be discussed. Apart from those I have mentioned, I may ask where are there any districts in the United Kingdom where Government aid is necessary in order to provide relief from excessive population? Also, in what districts are there any considerable number of people to be found who desire to emigrate, and who, at the same time, would be considered eligible emigrants? I do not know, and cannot gather any definite indications of such districts from any of the schemes referred to the Committee. At the present time I have an advertisement appearing in well-selected county newspapers in the following counties: Aberdeenshire, Forfarshire, Lanarkshire, Yorkshire, Hampshire, Cambridgeshire, Lincolnshire, Surrey, Dublin. At least 90 per cent. of the replies which I receive come from people entirely unconnected with agriculture; they are mostly from tradesmen of different kinds and clerks. As to colonisation I can conceive it is just possible to find emigrants suitable in all other respects, but without money, to occupy land under specially advantageous circumstances, close to some colonial city, the majority of whom would recoup such reasonable advances as were made to them, but such a combination would be exceptional. My observations lead to the conviction that it is impossible to carry out successfully any large colonisation operations if success is to be based on a repayment by emigrants of the sums advanced for their outward passages, and other incidental expenses, the erection of their habitations, and the means of living and cultivating their allotments. As soon as people so placed found themselves in serious difficulties, whether from untoward seasons or whatever cause (and colonisation is by no means a light undertaking) with a prospect on the one hand of profitable employment and freedom from debt, and on the other hand a hard struggle for a doubtful result, and overloaded with debt, the great majority of them would abandon their holdings. The Committee is probably aware that a special settlement in the Cape Colony, which was established entirely under the personal supervision of Mr. Arnold White, has been quite abandoned; the whole outlay lost. I believe that to establish a new colonial settlement which shall be permanent and successful it is absolutely essential that the settlers shall put some money of their own into the venture. When men have put their own money and labour into the soil they will make a good fight to get it out again with interest, and they can give something like security for the repayment of advances. But, seeing that so large a proportion of the amount which would be advanced under the most liberal colonisation scheme yet proposed would be spent as dead outlay, and not reproductive in any way to the emigrants, I do not think the repayment of the advances can be safely calculated upon. These remarks, so far, refer only to the emigration of adults. I propose, with your permission, to say something with reference to the emigration of children.

Chairman—continued.

632. First, let me ask you what is your opinion as to the comparative advantages of direct Government organisation or management through a board or through a company?—I am very decidedly of opinion that no satisfactory outcome will proceed from colonisation schemes worked by any company. In the working of any company the commercial element will naturally be very prominent, and colonisation with people who are poor cannot be done as a commercial success.

633. Why so, if the financial success of the company depends upon the success of the settlers?—If the men have nothing to lose by abandoning their holdings, if they see that there are good wages to be obtained in other portions of the colony, they will abandon their holdings. I take it for granted that it is understood that no scheme of colonisation would be attempted in any colony which was not in a flourishing condition, which implies a good market for labour and the produce which those people would raise upon the allotments. That, again, implies a good colonial rate of wages.

634. But, supposing a company imports settlers, and puts them in the way of earning a living, and gradually paying for and so acquiring their holdings, why should not that be mutually advantageous?—It would be mutually advantageous, and as I have said in these remarks, I conceive it just possible, but special settlements require special settlers.

635. Selected settlers?—Yes, selected settlers, and a great change comes over settlers often after they have left this country. If they are prosperous, they will leave their holdings to branch out on to larger farms altogether. Colonists are naturally migratory; if a man has to keep himself and family, numbering, say, five, by the mere product of the land alone, starting on virgin soil, which, except perhaps in Canada or the prairie lands, will not yield as soil will which has been cultivated, the chances are that he will not remain fixed to the spot. This is, of course, only a matter of opinion or speculation, but I have had some experience in this direction. I have seen what colonisation means for the last 28 years, and I do not believe it is possible to fix the people to the soil.

636. But is not that what some Governments try to do by only selling land on deferred payment, the payment being made by instalments, to the people working the land?—Yes, but there is all the difference in the world between the two cases. Those people will have selected themselves on account of advantages which the scheme offers, and they will be putting their own money into it, a vital difference. In the settlements to which I have alluded, we make the condition of beneficial occupation for nine months in the year obligatory.

637. Then I understand that what you consider a condition of successful colonisation is that the

Chairman—continued.

the settler shall put his own money into his holding?—Most decidedly.

638. Why cannot he do that under the auspices of a company?—It would not be his money if the company put it in.

639. Not if the man purchases the land either by one payment or by instalments from the company?—Even assisted. I make all the difference between a man putting no money into the land and a man who puts some but gets assistance. The one I would help, the other I would wish should prosper, but I do not think he is going to do it.

640. It is the system of cultivating by advances which you do not think can be properly done through the agency of a company?—By advances to those who have something to start with it might be.

641. But not upon the crofter settlement principle, you think?—I do not think it could, but I have never been in Canada.

642. In what respect do you think the agency of a Government is superior; I asked you to contrast the respective systems, and then you said that you would exclude, in the first place, the agency of the company for the reasons you mentioned; now, in what is the agency of a Government superior?—I was assuming that the Government would be contributing the funds; the Colonial Governments have been requested to guarantee the funds. I need not deal with their reply, but, assuming the Government provides a fund, I am strongly of opinion that the Government should keep the control of the arrangements. There is some one to be questioned upon the arrangements if they remain in the hands of the Imperial Government; some one who can be made practically responsible; but colonisation is a very difficult matter; it bristles with difficulties on all hands. You have the wills, the characters, and the peculiarities of the people to deal with, and it is impossible to draw up any one set of conditions which will apply generally to different schemes of colonisation.

643. I would ask you this: does that system of constant Government supervision which you indicate not destroy that independence which you desire to create in the settler?—I do not advocate constant Government supervision.

644. You used an expression which I understood just now to mean that?—The supervision of the arrangements for colonisation; but when the people arrive, in my opinion the best colonists will be found amongst those who, as it is said, will "paddle their own canoe."

645. That the Government should have the arrangement of their being placed upon the land?—Yes.

646. Do you think that a direct Government agency, or an intermediary board, is the more desirable?—I should say either a board or a department of the Local Government Board. Something of that sort would be absolutely necessary. I suggested that some years ago to the Government.

647. You mean a labour department?—An emigration department, as there used to be the

Chairman—continued.

Emigration Commissioners, who were abolished some years ago.

648. Now, I believe you wish to say something about the emigration of children?—The emigration of children is one system by which the number of emigrants of the very poorest class could be increased fifty-fold if undertaken by the Government. I beg the Committee very seriously to consider the very valuable memorandum by Sir Hugh Owen upon a proposal I submitted to the Secretary of State in 1884, because, alluding to one of my proposals as tending "to dry up one of the sources of prospective pauperism in the community," Sir Hugh says, "that any such prospect should be generally realised is, however, to be hardly hoped for." I take it that the existence of this Committee brings such a question within the reach of practical politics. I would like to simplify the proposal I made in 1884 by the alteration that instead of the maintenance and training of destitute children being carried on in this country with a view to their emigration, I suggest that the maintenance and training should be done in the colonies, and that as the children grow up fit for service they should be placed out with the colonists; the cost of maintenance in the colony would certainly be no more than it is here. The first cost of buildings and of the outward passages would be the only extra outlay. Suitable sites for such institutions would be obtainable for nothing. As to the buildings, money might have to be found by the Government, or at the cost of the different boards of guardians. I do not know how the division would be arrived at of the expense, but it is surely justifiable to expect that there are many people who would be glad to contribute the total cost of a building forming one of the homes under such a scheme, provided they were sure that the homes would be properly maintained and devoted to the purpose. Perhaps I can better explain to you the working out of this idea in my own mind, if I tell you of a proposal I made to "General" Booth some few months ago, when I thought it was possible he would get money enough to adopt this principle. I offered him a property of 300 acres, situated 12 miles from Durban, which, from the character of its soil and its position, I thought very suitable for division into ten or a dozen homesteads of from 20 to 30 acres each; that a separate building should be erected on each homestead to accommodate about from 20 to 25 children, the land being suitable especially for the growing of fruit, green vegetables, maize, and the rearing of poultry, occupations which, while the children might derive pleasure from them, would be at the same time conducive to their own support. But I attached to my offer to "General" Booth two conditions which would not be necessary in case the Government adopt this principle: one was that I claimed that I should have a voice in the selection of the children, but especially of the adults, who would be sent out to manage the outside work. I am quite sure that if that principle were adopted by the Government, passages for young children might be taken at a very low rate, taking at their earliest

Chairman—continued.

earliest years all young children who are maintained now solely at the cost of the Government, without anyone to say nay to their emigration.

649. That is to say, children now maintained at the cost of the ratepayers?—Yes, whose maintenance is entirely out of the public funds. The number of those is so large already that the subsidiary question as to the right of parents to breed paupers or criminals, and all that sort of thing, might be left out until we have dealt with those whose maintenance is now entirely out of the public funds. Passages could be got for them even to Australia for 5 *l.*—possibly they would range from 3 *l.* to 5 *l.* I am quite sure the land would cost nothing, and that many people would be glad to build one of such homes as I have mentioned; and that by sending the children out there as soon as they became chargeable to the public funds, keeping them on the spot, acclimatised and brought up in accordance with the colonial ideas (for there would be many helpers in the colony), I am quite sure the number of children emigrated would be increased at least fifty fold beyond what they would be under any other system.

650. Do you think it would suit the institutions of a self-governing colony that the British Government should undertake the institution of such a home out there; surely that would have to be done by the local government, or by private agency; the British Government could not have anything to do with that, could they?—I do not see why they could not.

651. Do you think that in Natal, for example, it would be tolerated that an agent of the British Government should set up an institution there?—That the British Government should set up an institution and provide the whole cost of the maintenance of the children while they remained in the home, yes.

652. Then it would have to be the agent of the British Government who supervised it, would it not?—Entirely. The only difference would be that instead of the Home Government keeping them here during their infancy they would keep them in the colonies at the expense of the Home Government.

653. I asked that question because having lived in such colonies I am surprised at the idea that the colonies should like any imperial agency there?—I do not know that any political consideration would come into this question, and certainly no Colonial Government has any right to object to people, who will be maintained without cost to them, being brought in.

654. They have their own institutions there, have they not, for destitute children?—We have none such at present in Natal except one small institution recently begun; at all events I have thought a good deal over this matter, and I can see no reasonable hope in the future for those children who are destitute in this country, save by their emigration before they have acquired the habits of habitual paupers in this country.

655. You know that there are statutory powers in this country to local authorities to emigrate poor persons?—Yes.

Chairman—continued.

656. And that those have been applied chiefly as regards children?—Yes, to some small extent.

657. 3,000 or so?—Yes.

658. But by the Local Government Act, which is only three years old, the county councils have new powers in that respect?—I have heard so, but I have not made myself familiar with them.

659. Would the agency of the British local authorities satisfy your desire?—It would be quite as good as that of the Government, so long as it was a responsible authority.

660. The consideration you desire to enforce is, that if a remedy is to be found for the floating pauper population, it is in emigrating them when young and putting them under new conditions?—Yes, beginning with the children. I scarcely need say that these are all merely my personal opinions. I have no mandate whatever from the Government of Natal to speak upon the subject.

Mr. *Loder.*

661. In speaking just now of the homes which you proposed that the Imperial Government should start in Natal, you said that you did not think the Natal Government would have any objection to the Imperial Government becoming the owners of the land there, because that is what they would virtually be, would it not?—I do not know of any reason why the Natal Government should object to the Home Government taking any special land; the Home Government now controls a considerable amount of land in the colony.

662. Does it?—Yes.

663. In what part?—The Admiralty reserve.

664. The conditions under which that is held are rather different; that is, ground reserved for Imperial purposes?—Yes, and this would be also.

665. And you think it could be done under the same sort of conditions?—Yes; I cannot conceive why it should be objected to.

666. It has been proposed to other Agents General, and they rather gave us to suppose that no Colonial Government would allow the Imperial Government to hold lands in the colony?—I certainly think a question should be put to the Colonial Governments upon such a subject. I do not anticipate myself any objection to land being owned by the Home Government for such a purpose in the colony.

667. Then with regard to the land companies, there are at present no land commpanies which carry on the work of immigration or colonisation in Natal?—No.

668. None whatever?—No.

669. Nothing analogous to the land companies of Canada?—No; there is a Land and Colonisation Company, but that ceased all colonisation operations years ago.

670. Has that been owing at all to the unsuitableness of the colony for the class of persons which they wished to colonise?—I do not think so; generally those companies, which are called land and colonisation companies, are land speculation companies.

Mr. *Loder*—continued.

671. Merely for buying land?—Merely for buying and selling land.

672. Not for the purpose of settling?—No.

673. Have any railways in Natal been made upon the land grant system?—Not as yet. The railways which have been recently constructed, and which are in contemplation, are opening up new districts, and making it quite practicable for men to live and thrive in districts which two years ago were practically closed to men of small means.

674. The railways were not built upon the land grant system, as they were in Australia?—No.

675. You have not been asked about the climate; it has been said, I believe, amongst people in England that the climate of Natal is rather warm, not only for the population to live in who are used to the climate of the British Islands, but also for our crops to grow there?—There is a very exaggerated idea generally held as to the heat of Natal.

676. Will you tell the Committee what sort of climate it is?—In the month of May the climates of Natal and England are similar; from May till September, in the upper districts of the colony, you get frost, sometimes rather severe, and occasionally snow; spring, which comes in September, brings a greater amount of heat, gradually increasing until you will have the thermometer showing perhaps 92 degrees Fahrenheit in the shade, but only for a few days during the season. The maximum temperature in the height of the summer is what I have given you. The average I should take to be about 85 degrees at midday; but after you have turned Christmas, say, in the month of March, you get into the autumn, and you are just going down from the heat to the cool months of the middle of the year. The heat just takes the place of the cold here; that is all. It is a change from greater heat to greater cold.

677. Then, so far as Natal is concerned, it is very suitable for English emigrants?—There is not a more healthy climate in the world.

678. The only difficulties are in the way of making arrangements between the Colonial Government and the Imperial Government about loans for taking out emigrants?—All the expenses of the emigration operations carried on by the Colonial Government have been defrayed out of general revenue.

679. Are you of opinion that the Natal Government would not guarantee the repayment of a loan for the purposes of colonisation?—I do not think they would, and I have no authority to speak upon the subject.

Sir *George Baden-Powell.*

680. The money is taken out of the general revenue which is expended upon immigration?—Yes.

681. I suppose you are of opinion that the colony will soon have responsible government?—Yes, appearances point that way.

682. Do you think that, under the new system of responsible governments, those votes for immigration would continue?—I think they would be increased. There is a general desire in the colony to have a large increase of the white population. You will see the point of the memorandum I sent to the Immigration Board; I am working upon those lines.

Sir *George Baden-Powell*—continued.

683. Have you heard that the new Government is likely to make a loan for the purpose of immigration?—I have not heard that.

684. But you think that, on the whole, the new Government, that is to say, the responsible Government, is likely to increase the expenditure upon immigration?—Yes.

685. With the special policy of introducing more whites into Natal?—Yes; upon this point I ought to tell you that when I was in the colony last June, I sent a paper of recommendations to the Colonial Secretary, for an alteration of the laws governing the disposal of the Crown lands, and for providing other inducements for agricultural emigrants from this country. Some of the proposals have been considered by the Land and Immigration Board and by the executive council, and a committee is now engaged drawing up a larger scheme of immigration than any that has hitherto been attempted in the colony.

686. When do you suppose the scheme will be complete?—It has to be laid before the Legislative Council.

687. When?—Probably before June. I have no information as to the sitting of the Committee.

688. Do you happen to know whether that scheme deals with the point that you raised about child emigration?—I do not think it does.

689. Would you limit the homes you spoke of to any particular number of children?—No, but I should think that they would not have more than 20 or 30 inmates of one homestead.

690. Would you distribute the children amongst the colonists when they grew older?—Yes, I would have some institution where they could be seen.

691. Do you think the Natal Government would be likely to receive such children?—I do not think the Government would; but I am quite sure that there would be plenty of willing coadjutors in the colony.

692. You mean a local committee?—Yes; and I contemplate, of course, that the whole control and responsibility should rest with the Home Government until they are placed; that is to say, the Department representing the board of guardians or otherwise.

693. Do you find that the immigrants who have been introduced into Natal pass on to a large extent into the Transvaal and the Free State?—Some of them have done so. It was inevitable, with the gold fields of the Transvaal, that many of them would leave, but the population of the colony has increased during the 11 years I have been acting as emigration agent in London by 60 per cent.

694. You have no means of keeping them within the colony?—No, except that those who enter into engagements can be bound, so far as legal proceedings can bind them, to stop and fulfil their engagements for 12 months, at all events.

695. Do you think that the labour market for whites will continue a good one?—I think it will very greatly increase.

696. Do

Sir *George Baden-Powell*—continued.

696. Do you think that there will be a competition of the Zulus?—Not in skilled labour for a long time.

697. I suppose you are aware that the Zulus are increasing in numbers within the boundaries of the colony?—Yes.

698. Do you think, in spite of that, there will be a labour market for whites?—Yes, the opening of the Coal Fields is quite changing all the conditions of the colony. White men are wanted in many positions now filled by Kaffirs.

699. But could the whites successfully compete with the Kaffirs in those situations?—Yes, they would be most valuable to assist in suppressing stock thefts, in looking after cattle, and preventing the losses which so often occur.

700. One point on which I wish to ask your opinion is in reference to the small traders in the villages; are the Asiatics, as you call them, still competing with them and driving them out?—Yes, they have driven many of the small white storekeepers out.

701. Is there any legislation contemplated that will stop that competition of the Asiatics?—The question is before the public mind in the colony. I am not sanguine that they will be able to succeed, but attempts will be made to bring the trade back into the hands of white people.

702. What I want to get at is this, that in spite of the increase of the Zulus and this Asiatic competition, you think there is a very fair market there for white men to get work and earn wages?—Yes, not that any great number of any one class could be sent out at one time to compete in the labour market; far from that, it must be very gradual and according to the demand which is springing up from the new developments which are taking place.

703. Do you think with regard to the Umzimkulu settlement that in establishing a settlement of whites for the purpose of agriculture or mining, or something of that sort, they would find plenty of employment, and would not be cut out of it by the employment of Zulu labour?—Zulu labour will not cut out the white labour, even in mining; but I do expect that the mining operations which are cropping up in Natal, will, in the future, absorb a vast amount of Kaffir labour to the benefit of the community; but while that large amount of Kaffir labour is being utilised, a great number of white people will also find occupation.

704. But upon a particular settlement?—On a particular settlement, if it were near a mining centre, the presence of Kaffirs would not be any detriment to the white men.

705. Assuming the emigration of a small number of crofters on to the land, would the black labour compete with them, or would they be able to pay for it?—In certain descriptions of labour the black man would cut the crofter out, that is to say, in certain portions of the manual labour.

706. Chiefly unskilled labour?—Yes, the least skilled, and under conditions, such as underground work which the crofter, whose character, however, I am not familiar with, might not be able to do.

Sir *George Baden-Powell*—continued.

707. On the whole you think that there is an opening for white labour in Natal?—I believe the next 20 years will see more people settled in the Colony, than the 40 years have done which have transpired since its constitution.

708. You think that the new Government will be likely to carry things on more vigorously than the old?—Yes, I think so, and saying so I reflect the opinion of the Colony.

Mr. *Wodehouse.*

709. As regards your proposal of the home for children, do you contemplate the compulsory detention of the children in the home for a time?—Yes; in the same way as attendance is compulsory in the homes in this country.

710. For the same space of time?—Until they are placed out.

711. Is there no fear of any dislike of such immigration in the Colony, as a pauper immigration?—Until the proposal was understood as I put it, that those children would not be paupers, it might be that some few self-righteous people would object to it.

712. You would admit that colonial opinion is sensitive on this point?—Yes; I am as strongly against the immigration of paupers as any one.

713. And you think that children in homes, such as you recommend, would not be viewed in that light?—No, they are not paupers.

714. Would the people in Natal share your opinion about that?—I cannot say.

715. Do you think they would?—I would hope so.

716. You are satisfied that the public opinion of the colony now is in favour of the immigration of Europeans?—Yes, with exceptions; but speaking generally, yes.

717. There is no dread of the competition of immigrants in the labour market?—Amongst the artizans, yes; the carpenters will tell you that as they are only getting 12*s.* a day of eight hours, they do not want any more carpenters; and masons getting 15*s.* a day will tell you that they do not want any more masons.

718. Then they do not like to see new carpenters or masons arriving upon their shore?—They all unite in this; they all want to see a large increase of white population, the members of each calling hoping that the increase will not be in their own particular calling.

719. In that feeling is there not the germ of a movement against immigration?—I do not think so with regard to settlement upon the land; there they are all united.

720. You think there might be jealousy of the influx of new artizans, but that they would not object to an agricultural immigration?—That is so.

721. Then, for the moment, we may put aside the artizan as a desirable immigrant for Natal?—Yes; the colony has the means of attracting as many artizans as the people wish to have.

722. If I understand you rightly, turning now to the agricultural immigrant, the only kind of man whom you regard as a really valuable im-

Mr. *Wodehouse*—continued.

migrant is, the self-reliant, energetic, industrious man, with some means of his own?—Yes.

723. He is to be put upon the land without any cost to himself, free of expense; Yes, if his means are so small as to entitle him to assistance.

724. As this possession of some substantial means of their own is a *sine quâ non* condition of success, I suppose it would be hopeless to think of Natal as a place which would aid in the relief of the congested districts where the people are very poor?—As I have said in those remarks, I conceive it is just possible under special conditions that you would get your money back; I do not say it is improbable that the poor people might establish themselves in a new district on the settlement, but, as a rule, they would never repay the money. If they were held under a load of debt it would rob them of what attractions their position otherwise would give them.

725. Then no successful scheme can be carried out without a direct expenditure by the Government of a considerable sum?—That is so.

726. I presume, in regard to the emigrants you have sent out to Natal, you have exercised great personal care in the selection of them?—Yes, I have. Of the whole number mentioned in my report, I have interested myself in every case, between 6,000 and 7,000 of them, that I have sent out in 11 years.

727. And in making that selection you have probably rejected hundreds or thousands of applicants?—I estimate that I reject four or five to every one I accept at the times when I am sending out emigrants without nomination.

728. And you would naturally ascribe their success to the care with which they have been selected?—Yes, to some extent; but I make it a point of requiring the people to select themselves as much as possible by giving them information. I have never yet asked a man to emigrate to Natal. I have told them as truly as I could the circumstances they would find in the colony; I have even gone so far, in some instances, as to advise people to go when I knew all their circumstances here; but I have never asked any one to go. Of course, the majority of the people I have sent have been nominated on the other side, or have had situations provided for them to go to; three-fourths of them, at least.

729. I think you said that you cannot get the agricultural immigrants you want at this moment?—Not at this moment. I find the inquiries as to information about emigration have become less than they have been for many years; and I have mentioned in my report, that the net emigration from the United Kingdom last year was not more than two-thirds of what it was in 1883.

730. That is owing to the improved condition of trade?—Yes, it is owing to the improvement in trade and agriculture in this country.

731. Do you prefer Norwegians, from your experience of them, to English emigrants in Natal?—I cannot say that I prefer them. The people I sent to Marburg had this advantage, that they were all of one religion, and that they have stuck together as a community, almost too much so, without becoming absorbed amongst the general population of the colony. The disadvantage is that they do not understand the English language.

Mr. *Wodehouse*—continued.

732. I suppose they are more frugal than the English?—They are more frugal.

733. And more industrious?—Yes; they are more industrious and more temperate.

734. Are they more industrious than the average English emigrant?—In consequence of their greater frugality they give more attention to their work.

735. I think you said you were at issue with a great number of the colonists in Natal as to the relative value of native and European labour?—Yes; I am with some.

736. What is the opposing opinion to your own; what form does it take in Natal?—Many who are themselves a living refutation of their arguments will say that the heat is too great for white men to work out of doors.

737. The colonists say so, from their experience?—Yes; men who themselves are living refutations of their arguments. I lived for 16 years in Durban, and I wrought hard while there.

738. And the men who say it have had good health?—Yes, men who used to do their own ploughing and other such outside work.

739. Did you say that both Mr. Arnold White's settlements were now totally abandoned?—No; one of them.

740. With regard to the Weenen settlement, whereabouts in Natal is that?—Twenty-five or twenty-six miles from the railway station at Estcourt.

741. Is that in the cooler part of Natal?—Yes, in the upper district.

742. Is there a great deal of land available to fill up there?—There are several other lands which can be irrigated, also, upon that same township of Weenen.

743. Where you could put people now, if you had them?—Yes.

744. But are not the natives overflowing their reserves now?—Some of the locations are becoming congested, I believe; an outlet is wanted.

745. Then there is likely to be a demand for more land for them soon, is there not?—Yes; but that land must be found in Zululand, or to the northward.

746. Not in the colony?—There are a great number of natives now settled upon privately-owned lands.

747. I thought it had been a subject of anxiety to the Government of Natal for some time, that the native population was increasing so much within the colonial borders?—Yes, they are increasing principally by influx from other parts of South Africa.

Dr. *Clark.*

748. But there is also the natural increase of the native population in Natal?—Yes.

749. You have polygamy under the native law, which tends to increase the population?—Yes.

750. And there has been also a good deal of fencing in of private farms, which has driven away a large number of natives, who were squatting

Dr. *Clark*—continued.

squatting upon them?—I do not think they have been driven away, because the rent the Kaffirs pay is quite sufficient to recompense those who wish to have labour as well get-at-able on their farms. I do not think they have displaced many by the fencing; if they have it has been to the advantage, no doubt, of the farmer.

751. Do you think that Natal would be a good place to colonise a large number of people from the conjested districts of either England, Scotland or Ireland, compared with the facilities which Canada, New Zealand, and Australia offer?—I should say that Natal is not to be mentioned as a place for a large number of people in comparison with Canada, from all I have read of it. Perhaps I may say that, I do not know of any congested districts of England.

752. There is supposed to be a congested district in the East-end of London?—It is supposed to be, but I do not know it is so; however it will be congested with a class of people that we do not want.

753. We want to find a place for that class of people. Do you think there is room for the agricultural labourer to work in Natal alongside either the native or the Asiatic; do you think that the Asiatic and the native, with their lower standard of comfort would not be able to prevent a fair competition on the part of the European of a higher standing?—The agricultural labourer is competent to do work which the Asiatic or the native cannot compete with. I would never admit that the intelligent Britisher is inferior to the Asiatic in resources and in the power of adapting himself to circumstances.

754. But where would his superior intelligence come in; say it was a question of supplying market gardening for towns in Natal?—There

Dr. *Clark*—continued.

the Asiatic are very dangerous competitors, but notwithstanding the number of Asiatics who are settled near the towns in the colony, they do not keep the market supplied. Last year when you and I were out in South Africa it was a regular thing for each steamer to bring such goods as potatoes into the colony, which the colony ought to be able to export to any quantity; that shows that those people are not occupying the whole market.

755. It shows that the natives are unable to supply your market when you have to import your flour and provisions from other countries?—Yes, to a large extent.

756. But you do not think that Natal would be a suitable place for any Colonisation Board to send a number of people to from any portion of the three kingdoms?—No, I do not say that; the Immigration Board has, for instance, about 100,000 acres of land at its disposal. If the Home Government or the Colonisation Board were in a position to contribute towards the expenses of a new settlement, I think it is quite practicable to arrange for the emigration of a few thousand people from England.

757. Do you think, from your late visit, and seeing the Government, that probably they would be willing to spend a certain sum of money to assist the Imperial Government or a Colonisation Board?—I think, to put it the other way, that if the Home Government is prepared to spend any money the colony would be glad to join hands with them to carry the thing out successfully.

758. That they would be prepared to spend an equal amount?—Yes.

759. And to take charge of the experiment?—I think so.

Mr. CHARLES P. LUCAS, re-called; and further Examined.

Chairman.

760. ARE you in a position to inform the Committee of the communications which passed between the Government of British Columbia and Her Majesty's Government, with respect to the advances for emigration?—So far as any official records show they passed through Mr. Begg.

761. What was Mr. Begg's position?—Mr. Begg was empowered under a British Columbian Order in Council of 1888, to submit propositions from British Columbia, but not to conclude any thing without ratification by the provincial Government.

762. He was empowered *ad referendum?*——

763. What was the date of Mr. Begg's last communication to you?—The date of the last communication of Mr. Begg to the Colonial Office was the 25th of January 1889.

764. Can you state what the nature of that communication was. Was it to the effect that the British Government should advance 150,000 *l.* for the purpose of emigrating a certain number of families of the Scottish crofters; the British

Chairman—continued.

Government to advance the money without payment of interest for the first five years, but the interest for the first five years to be added to the principal sum, and interest at the rate of 2½ per cent. was to be paid then upon the original 150,000 *l.* plus the five years' interest until repayment by the Government of British Columbia, who guaranteed the repayment of principal and interest?—The letter did not contain all these details.

765. Can you say if it was generally of that nature?—Yes.

766. Will you tell us why the matter did not proceed?—It is answered in Mr. Begg's own evidence that the matter was to stand over till this Committee had reported.

767. That is consistent with the sense of the matter entertained by the Colonial Office?—Yes.

768. Could you put before the Committee a copy of the Order in Council of British Columbia and the proposal made?—I will. (*The same was handed in,* see *Appendix.*)

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AN ATTEMPT TO SUMMARISE AND COLLATE THE EVIDENCE GIVEN BEFORE THE COLONISATION COMMITTEE.

THOUGH styled the Colonisation Committee, the reference to the Committee includes emigration in general, and it may be subdivided thus :—

To inquire into { 1. Emigration schemes which have been *proposed*.
2. Emigration schemes which have been *tried*.

To report upon { 3. The desirability or otherwise of further promoting emigration.
4. The best method under which assisted emigration can be carried out.

With the exception, however, of No. 3, which concerns rather the condition of the people in this country, and the desirability or otherwise of increasing the stream of population now flowing from it, there is another broad dividing line running through the whole question, viz., the distinction between Emigration pure and simple, that is, the exodus of working men from this country to join the ranks of working men in the new world, and Colonisation, meaning thereby that those who go out should be settled at once upon the land, and, whether to some extent also wage-earners or not, should be immediately supplied with capital and become farmers on their own account.

This distinction was strongly drawn by almost all the witnesses, whatever their views might be.

Proposed Emigration Schemes.

I. A number of emigration schemes have from time to time been laid before the Government or individual Ministers, and evidence has been given as to many of them.

They may be divided into two classes :—

(a.) Schemes which were proposed by a Colonial Government or a responsible body who were quite ready to carry them out on the acceptance by the Imperial Government of the terms ; and (b) what might be termed paper schemes, *i. e.*, suggestions made by private persons or others to the Imperial Government as to the modes by which that Government might, if so disposed, initiate and carry out a large scheme of emigration or colonisation.

(a) RESPONSIBLE EMIGRATION SCHEMES.

Herbert, 1197–1201.

(i.) In 1880 the Canadian Government proposed to Her Majesty's Government a colonisation scheme by which the latter Government should advance moneys, about 80 *l.* per family, for transporting and settling families from Ireland in the north-west of Canada.

The Canadian Government were to give each settler 160 acres of land, upon which the advance was to be secured by a first charge, but were to undertake no guarantee for repayment of the advance. It was proposed to carry out the scheme through a commission or association. These proposals were submitted to the Irish Government, but no action was taken in the matter. The reasons for allowing the proposal to drop do not appear. Mr. Tuke states it was because of the unwillingness of the Canadian Government to incur the difficulties and odium of collecting the instalments.

Herbert, 1221, 2.
Tuke, 3408.

Herbert, 1004–1015.
Ruttledge Fair, 2061–2068.

(ii.) In 1883 Sir (then Mr.) George Stephen made a definite proposal on behalf of the North West Land Company of Canada to the Imperial Government ; the basis of which was, that the Government was to lend the company 1,000,000 *l.* for 10 years, free of interest, the company undertaking to repay that sum in full at the end of the period. With that sum the company undertook to remove and settle 10,000 families (say 50,000 people) from the west of Ireland to the north-west of Canada. The Canadian Government would, as usual, give each family 160 acres of land, and the company would supply them with a house, cow, implements, and everything necessary to give the family a fair start, including ploughing and seeding a few acres for their first year's crop ; and the whole arrangements as to removing and settling the emigrants were to be carried out by the company. The company would take a mortgage on the lands for repayment by the settlers of the advance, with interest at 6 per cent. after the first two years. The money was only to be advanced as the families went, 100 *l.* per family ; and it was submitted that the cost to the Government for each family would only be the interest on 100 *l.* for 10 years, say 25 *l.*

Herbert, 8009, 10. Fair, 2062.

This proposal received the warm support of the Colonial Office and the Irish Government, the latter asking for two conditions, which were approved by the Treasury, viz., (1) that the emigrants should go from the congested districts only, and in entire families, and (2) that the holding of each emigrating family should be consolidated with a neighbouring holding.

Herbert, 1005.

The proposal, however, fell through because the Treasury thought it necessary to stipulate that the Dominion Government should make itself responsible for recovering the advances from the settlers, both principal and interest, and this the Dominion Government declined to do. They thought that political influence would be used by the settlers to make repayment difficult ; and that the company would be more likely to put pressure on the settlers than the Government could do.

The next schemes have special reference to the Scotch crofters.

Cochran-Patrick, 12–15.

In 1887, owing to distress among the crofters, the Secretary for Scotland opened negotiations with the Canadian Government. The latter were, as usual, willing to co-operate and to supply free grants of land, but could not undertake to recover the repayment of advances, and no further action was taken.

Cochran-Patrick, 16–26, 200–7.

(iii.) But negotiations between the Scotch Office and the three great Canadian land companies, the Canadian North West, the Hudson's Bay, and the Canadian Pacific, were much more successful, and led in July 1887 to the following scheme :—

The Treasury to lend up to 300,000 *l.*, 120 *l.* being advanced for each family settled. No interest was to be charged to settlers for the first four years, then interest at 8 per cent. was to be charged for eight years, which was equal to interest at 4 *l.* 6 *s.* per cent. for the whole period of 12 years.

The three companies would give a joint guarantee for the repayment of the capital ; and they would also hand over to the Government any interest received which was in excess of their previous expenses : but these expenses were to be limited to 6,000 *l.* per annum, on the understanding that the Imperial Government would guarantee their actual expenses up to that maximum. The result of this would have been that if the interest on the whole 300,000 *l.* were fully paid, and if the annual expenses amounted to 6,000 *l.*, the Government would have received about 2 *l.* 3 *s.* per cent. on the advance.

24. But the scheme fell through because the Imperial Government were not prepared to consider any proposal which did not secure at least 3½ interest, and because it was thought necessary that the assessments of the localities from which the emigration was carried out should become liable for the repayment of the interest.

25. When the distress among the crofters increased in the autumn of 1887 Lord Lothian asked the land companies if they would renew their proposals : but they declined to do so, stating that the circumstances had altered (though in what way did not appear), and the scheme which was eventually agreed upon was far less favourable to the Government, in that there was no guarantee by the companies for repayment even of the capital. As this is one of the emigration schemes which has been tried, an account of it will be found elsewhere (p. 48).

Begg, 3072–3422.

(iv.) One of the most important proposals is that of the Government of British Columbia, which has been made through Mr. Begg, their Colonisation Commissioner, who gave evidence before the Committee. The main principle of the scheme, viz., the advance by the Treasury of 150,000 *l.* to the British Columbia Government for the purpose of emigrating crofter families and settling them in British Columbia, has met with the approval of Her Majesty's Government ; but they have declined to give a final decision upon the scheme until it has been examined and reported upon by the Select Committee.

3083.
3099.

3079–82. It is an offer from a responsible Government to undertake, for the sum named, to remove from Scotland and settle in British Columbia 1,250 poor families of crofter farmers and fishermen, besides a certain number of tradesmen, and to form communities of them at different fishing villages. It is anticipated that additional capital,

3091. drawn from other sources, would be necessary for so considerable and costly an undertaking ; but if the Imperial advance is granted to form the backbone of the undertaking, the British Columbia Government are prepared to carry it through gradually, and are convinced that with care and good selections it would be a great success.

3220. The British Columbia Government guarantee the repayment of capital within a period of 35 years, and they

3084. have offered two alternative schemes for payment of interest. The first, which they would prefer, is that for the first five years the advance should be wholly free of interest, and that afterwards they would pay interest at 3½ per cent., the minimum rate which the Treasury, in the first instance, demanded before the Conversion Scheme of 1888.

3087. The second is, that interest during the first five years should not be demanded in cash, but should be added to the principal sum, and interest at 2¾ per cent. be then paid upon the original 150,000 *l.*, plus the five years' interest.

3134. The scheme, if sanctioned, would proceed slowly. It is proposed that 50 families should be moved the first year, and 200 the second. It is also proposed to start a joint-stock company for curing and marketing fish, so as to afford plenty of employment to the fishermen among the settlers.

3154, 5. It is part of the scheme that the British Columbia Government would be responsible for the settlers during

3185–7. their first year, and, further, that that Government would report to the Home Government at stated periods how the people are getting on. One distinction between this and the previous proposals is, that the whole 150,000 *l.* should be advanced at once, instead of being advanced gradually as the families went out ; a proposal which, of course, favours the Colonial Government, who might be tempted to proceed very slowly, or even to abandon bringing out the full number of families, if they found it entailed a loss.

8344, 5. It is also proposed that the Imperial Government should contribute towards the expense of the selecting agents in Scotland.

Cochran-Patrick, 4–11.

(v.) All the previous proposals have reference to Canada. The following is an important proposal made some years ago by the New Zealand Government, but the offer is still in the main open. In 1884 the Government of New Zealand passed special legislation for the reception of families of the crofter class ; but the matter was not taken up in England till two years later, when a proposal brought forward by the Agent General for New Zealand was approved by the Secretary for Scotland and submitted to the Government, viz., that the two Governments should act together in sending out a number of pioneer settlers, say 20 or 30 families (to be followed later by others), to a district on the south-east coast of the south island, where a block of 10,000 acres had already been set apart in contemplation of such a settlement being formed. This site was believed to be eminently suitable for Highland crofters, the land being

Dillon Bell, 1151–1236. Cochran-Patrick, 5. Dillon Bell, 1258. 1228–30. good and close to the sea, and affording excellent opportunities both for fishing and dairy farming. The New Zealand Government were apparently prepared to pay the passage money and supply the land free of cost ; though it has also been stated that the Imperial Government was to bear half the cost of sending out the people.

1239. The remaining expenditure of 100 *l.* to 120 *l.* per family would presumably have been advanced by the Imperial Government in the hope of its being ultimately recovered from the settlers, though probably without interest. But, in the words of the Agent General, "We never went as far as that ; we believed that if the two Governments entered into concert with each other a scheme would be immediately struck out and what was necessary arranged, but we never

1148. reached that point. Every negotiation which was begun fell to the ground, on account of the apparent unwillingness

1246, 7. of the Imperial Government to take any steps which would ultimately involve expenditure in the formation of a

1330–3. settlement." The scheme finally disappeared in 1886 or 1887, no specific reason for its abandonment being given. It

1278, 9. appears that the Government and most public men in New Zealand were much disappointed at the scheme falling through, and at the way their advances for some concerted action between the two Governments had been met in England.

This closes the list of what may be called responsible schemes. A number of suggestions that have been proposed to Her Majesty's Government were, however, laid before the Committee. A short reference is made to them :—

(b.) Suggestions for Emigration Schemes.

Herbert, 993–1003. (i.) The first was one propounded in 1883 by Sir A. Galt in his individual capacity and not as High Commissioner for Canada. It is given in the Appendix No. 7 to the First Report. It was a scheme for carrying out both emigration and colonisation through the agency of the poor-law unions, the Treasury advancing the money, only a portion of which was to be repaid by the unions, and it was calculated that some repayments might be expected from the emigrants.

1016–18. (ii.) The next is also a scheme made by a Government official in his private capacity, namely, by Mr. Peace, the Emigration Agent for Natal, who, in 1884, proposed that pauper children should be educated and trained for emigration in special institutions at the expense of the unions or philanthropic bodies, and that when the children were nearly adults the Colonial Governments should pay their passage to the colonies. The scheme was considered by the Local Government Board but not proceeded with.

1023–31. (iii.) Little need be said of Mr. Prittie's scheme, that a company with 200,000 *l.* capital should settle 200 families in Canada, and that the Imperial Government should make a free grant of half the cost ; or of

1032, 3 (iv.) Professor Tanner's scheme, that Emigration Loan Commissioners should advance 100 *l.* (apparently from the public funds) for each settler on 30 acres of land, which should be repaid within eight years. This scheme did not obtain the approval of the Canadian Government, to whom it was submitted by the Colonial Office.

There

There were also the schemes of—

(v.) The Central Emigration Society, for children's emigration ; and of 1034, 5.

(vi.) Mr. Cracknall, for emigration through the poor-law unions. 1036–7.

(vii.) Mr. Kimber's scheme, which was to be applicable to any colony, was that the emigrants should be selected by the Imperial Government, and approved by the Agent General of the Colony ; that the Colonial Government should select land, prepare homesteads, and arrange for the settlement for the emigrants upon their arrival, and administer the funds, the money to be raised in England upon the joint credit of the Imperial and Colonial Governments at, say, 3 per cent. The advance was estimated to be about 300 *l.* in respect of each family ; that this capital should not be repaid, but that the holding of about 50 acres should be charged in perpetuity with interest at 4 per cent., *i.e.*, 12 *l.* 1038–1052. 1039.

This scheme was communicated to all the Colonial Governments. Only in Natal did it find any acceptance, and even then the acceptance, which was with many modifications, could not be termed cordial or encouraging. Canada strongly opposed it, not being willing to be responsible for any guarantee. 1045, 8. 1049.

(viii.) The Treasury declined to entertain a scheme propounded in 1886 by the National Association for Directing State-aided Colonisation, which contemplated a public loan of 3,000,000 *l.* at 2½ per cent., upon what the Treasury considered very inadequate security. 1053, 4. 1058, 9.

(ix.) With the exception of Mr. Wakefield's scheme, which contemplated a large Government advance, and was not thought practicable by the Local Government Board, there remains only the scheme of the Parliamentary Colonisation Committee. 1060, 1.

(x.) It was proposed that a colonisation board should be established, with a representation upon it of the Imperial and Colonial Governments, and that there "should be a colonisation rent-charge stock, bearing 3 per cent. interest, guaranteed by the Imperial Government for 30 years ; that persons subscribing to this stock should be preferred to others as emigrants or colonists ; that colonists after the second year should pay 4 per cent. upon the amount advanced to them, secured by a rent-charge upon their holdings ; that this rent-charge should be redeemed by the emigrant within 30 years, and that the Colonial Government should give the land either free or on the most liberal terms that the laws of the colony permitted." 1070.

The Imperial Government never expressed an opinion on this scheme, but it was submitted by them to the Colonial Governments, all of whom replied except New South Wales. It did not meet with approval in any of the following colonies, viz., the Cape, South Australia, Victoria, New Zealand, Tasmania, and Queensland. Canada was practically neutral ; it would not accept any responsibility for carrying out the scheme by accepting representation on the board, but had no objection to that board or any other body settling emigrants on its free-grant lands. 1074–87.

Western Australia, through Sir Napier Broome, cordially supported the scheme, and would be willing, not only to grant land, but to pay something toward the cost of emigration. Natal was generally favourable to the scheme, and were prepared to spend 10,000 *l.* towards furthering it ; and it was also favourably received by the Government of Newfoundland.

Such are the various schemes which have in recent years been submitted to Her Majesty's Government, but have not been carried into effect.

II. Examination into the Results of any Schemes which have received practical trial in recent Years.

The subject will necessarily be divided under the two heads of (a) Colonisation, and (b) Emigration, the measure of success in each of which will not be the same. An emigration scheme may be said to succeed if the great majority of the emigrants are doing decidedly better than they were at home. There seems to be three elements in the success of a colonisation scheme.

(1.) That the colonists should be doing decidedly better than they were at home.

(2.) That after a few years they should still be found living upon and cultivating the land upon which they were settled ; and

(3.) That the money advanced to them should in the course of years be repaid, or, at any rate, that those advancing it should not in the long run suffer any loss.

Emigration schemes are, therefore, more likely to meet with success, and in general have succeeded ; but with, perhaps, one exception, no case has been given where a colonisation scheme has as yet succeeded in all its three branches, though, no doubt, in many of them the first element of success, which is the only element of an emigration scheme, has been obtained.

(a.) The following is a summary of the principal colonisation schemes in recent years which have been brought under the notice of the Committee :—

(i.) Sir Robert Herbert gives an instance of a colony founded some years ago in Queensland, "in which some Manchester weavers, who were a very business-like body of men, founded, almost unaided, an agricultural settlement, but the result was that they could not compel their fellow workmen to repay anything ; they slipped away to get other employment in every direction. It was not under aristocratic patronage ; they were the hardest-headed men I have ever seen, but they could make nothing of it." This, in some respects, gives the history of many colonisation schemes ; the first element of success is attained, but neither the second nor the third. Herbert, 1173.

(ii.) A fairly successful colonisation scheme was the German settlement in South Africa in 1856–58. Some thousand soldiers from the Continent, mostly Germans, having served under the British flag in the Crimean war, were unprovided for when the war ended, and were not allowed to return to their own countries. The British Government therefore settled them in villages in the heart of Kaffraria, where they lived upon their pension, and were soldiers rather than settlers. They were moved to India in 1857 on account of the mutiny, and the Governor of the Cape replaced them by 3,000 specially selected families sent out from Germany, who occupied the houses and the lands of the soldiers. These men have done extremely well and are now very prosperous, mostly as farmers. The cost of their passage was, of course, advanced to them, and they appear to have repaid this as well as the cost of the huts and lands they occupied. The Imperial Government advanced 90,000 *l.* to provide the rations which they received during the first year on condition that the emigrants repaid the money, but they did not do so, and it was eventually remitted by the Government. This failure to repay must be taken as considerably modifying what otherwise would have been the complete success of this settlement ; and its success can hardly be taken as a precedent for a similar scheme with Englishmen, for they were extremely hard workers, "men from Pomerania, Posen, and Silesia, who had all their lives lived upon black bread and milk soup ; they got up at daybreak and worked to the last moment at night, and they were very thrifty." Mills, 1344–47. 1386–93. 1392–1443. 1347.

(iii.) Perhaps the only really successful and most instructive colonisation scheme was that carried out by the Emigrant and Colonist Aid Corporation, under the supervision of General Feilding, in New Zealand, about the years 1873-74. And yet this was not a colonisation scheme pure and simple. It was a business venture, including the ordinary elements of a land company. The company purchased a block of more than 100,000 acres from the New Zealand Government on terms which included the settlement on the land of 1,500 adults within four years ; that Government also gave free passages for the settlers. The company therefore were put to small expense, averaging about 4 *l.* per adult for all the expenses of selection, transport in England and New Zealand, and outfit. Though the greater part of the emigrants eventually took up farms the scheme was perhaps, strictly speaking, not one of colonisation. For the emigrants, in the first instance, only took up small town lots upon which the company had houses ready built for them at a cost of about 32 *l.* each. Feilding, 1501–1601.

1524. By a payment of 7 *s.* a week for seven years the company was reimbursed its capital expenditure on the emigrants, with interest at 6 per cent. The emigrants had on arrival "nothing to do but to hang their hats up and to cultivate the gardens in their stray moments, and there was work ready for them from the day of their arrival," either making roads for the corporation or railways for the Government. Most of the emigrants then took up land from the company and have been gradually paying them the price of it. The company has been, commercially, a success,

Hodgkin, 2351. having paid an average dividend of 5½ per cent.; but, as pointed out in the evidence, the commercial success is not necessarily due to the colonisation, but rather to the scheme being a great land enterprise. And with regard to the

Feilding, 1511. fact of the emigrants having mostly remained on the land, it should be borne in mind, first, that an out-of-the-way place was specially chosen in order that they should not readily escape to the ordinary labour markets; and, secondly, that there was abundance of work at good wages provided for them from the moment of their arrival.

Two attempts were made in the year 1880-82 to settle poor families from the west of Ireland on farms in Minnesota. They were to be started under favourable circumstances, being conducted by Roman Catholics who

Hodgkin, 2531–2539, and App. 5 and 6. were interested in their distressed co-religionists in Ireland. Yet both were failures, and neither succeeded in ultimately settling the emigrants upon the land.

2575–9. Tuke, 3409. (iv.) The first was carried out by Father Nugent, of Liverpool, who had the co-operation in Minnesota of Bishop Ireland. The families were taken out, provided with land, with a cottage, and the necessary capital. Everything was done for them, and yet in two years only five families out of a much larger number remained on the land. Those who left were doing well in the towns, but they were not colonists, and even those that remained on the land were getting work as labourers.

(v.) Mr. Sweetman, a wealthy and benevolent Irish gentleman, was the author of the second of these. Beginning the work in 1881 he was, in 1882, already convinced of the failure of his scheme as an attempt to settle labourers without money on the land, and in 1889 he reported that none of the original poor settlers remained on the land, and he adhered to the determination aimed at in 1882 not to take any more colonists unless they had about 100 *l.* capital of their own.

(vi.) Lady Gordon Cathcart's Settlers.

Edwards, 3625–8. In 1883 ten families went out, each being assisted with a loan of 100 *l.*, which was made a charge on the homestead. Arrangements were made on the other side, and homesteads taken up by Mr. M'Diarmid, one of the party who had already gone out to report to his comrades, and the Canadian Government Agent at Brandon. No houses were built for them, but they lodged for a time in tents, and ultimately built some turf and some log houses for themselves. They had a potato crop the first year, and Mr. Edwards, Lady G. Cathcart's agent, who visited them in the autumn of that year, was much satisfied with the experiment; and, consequently, in the following year, 56 families were sent out, and 10 in 1886, making a total of 76 families, a few coming from other estates than Lady Gordon Cathcart's.

3629. The arrangements in these latter cases were practically the same, except that the Canada North West Land Company advanced half the 100 *l.* per family, and their representative henceforward assisted in the settlement of the emigrants and looking after them. The average paid for each family for passage to Winnipeg was 25 *l.*, and for outfit

3631. and other expenses on this side 10 *l.*, making a total of 35 *l.* It is believed that some of the emigrants had considerable

3632. sums in their possession, but that in other cases their debts consumed all they obtained from a sale of their stock, &c.

3646–9. In the case of some large poor families there was not sufficient money left in hand in Canada, and there was some hardship, though in some such cases rather more than 100 *l.* was advanced The 120 *l.* which can now be secured on a homestead is a better sum than 100 *l.*, and they would have been better off with that.

3720–2. In 1886 a very favourable return was sent home about the 1889 settlers, which estimated the average value of each security, land, buildings, stock, and implements at 260 *l.*

3633. The repayments have not been satisfactory. In one case has the capital been almost entirely repaid, but in the

3638–41. others even the interest has not been received in full, but only payments made on account of it. It has, however, been considered advisable not to press for repayment, especially after the drought of last year, when a large payment had been arranged for. It is thought best to allow the settlers to increase their stock, and Mr. Edwards hopes that in five or six years a large number will redeem their holdings. He thinks the colony must still be regarded as to some

3723. extent an experiment. One great point in its favour is that, with only one exception, the families have remained on

3807. the land.

Rankin, 1844. Mr. Rankin says of this experiment, that though the result has been favourable to the emigrants themselves, who have obtained much additional wealth, it does not appear that any great amount of repayment has been made, though it is six or seven years since the colony was first started.

(vii.) And the same opinion is expressed by him with regard to a settlement of East Londoners in the North West

1843. Territories, which was founded a little later, and which must be pronounced a failure as a colonisation scheme, for

Hodgkin, 2588–2590. out of 19 families it appears from the reports made last year that five were doing well, four fairly well, and that the rest had left. Thus, within a few years, more than half of the would-be settlers had ceased to be colonists.

Rankin, 1823-1835 (viii.) Mr. Rankin's own experience is hardly more satisfactory as a colonisation scheme, though it has been a more successful financial experiment. Having secured the land in 1882 and developed it, he commenced in 1885 a system by

1902. which the tenant was to give half his crop to the landlord in return for the use of the land and the payment for seed and taxes. In these four years the return to him has been nearly 4½ per cent. on his capital, but out of this sum the expenses of management have had to be paid, leaving about 2 per cent. for himself, thus even pecuniarily being only an "imperfect success."

1961, 2. Out of the 120 persons whom he emigrated in 1882, with a view to settlement, and who were most carefully selected, only about half-a-dozen families (say 30 souls) remain on the land, and though the others, some of whom

1973. never went to the land at all, got good wages elsewhere, this also must be reckoned among the colonisation schemes which have failed of their object.

(ix.) Considerable importance attaches to the Crofter Colonisation Scheme of 1888-89, for it is the only colonisation

Cochran-Patrick, 26–325. scheme in recent years which has been financed and practically carried out by the Imperial Government. It was small in its scope and essentially experimental.

The Government agreed to an advance of 10,000 *l.* on condition that another 2,000 *l.* should be provided by private subscriptions. The fund was in the first year administered by the Scotch Office; but in the year 1889, by a specially appointed Colonisation Board, consisting of four Commissioners, representing (1) the Imperial Government, (2) the Canadian Government, (3) the private subscribers, and (4) the three important land companies before mentioned, whose gratuitous co-operation and assistance were promised, subject only to reimbursement of actual authorised outlay. The advance was not to exceed 120 *l.* per family, the repayment of which, with interest, was to be made by eight annual instalments of 20 *l.* 17 *s.* 8 *d.*, the first of such to be paid in the fifth year, and to be secured to the Board by a mortgage upon the 160 acres of free-grant land selected by the settler, and a chattel mortgage on his goods.

The sanction of the Government to this scheme was given rather late in the season, and it was not till the 17th May 1888 that the first batch of 18 families sailed, which was quite a month too late, and they were followed by another of 12 families on the 2nd June. The 30 families consisted of 193 souls. It appears that the average amount

57. Colmer, 714. expended upon each family before the arrival at their distination was 54 *l.*, leaving only 66 *l.* for their use after their arrival, which was much too small a sum, with the result that there was a certain amount of dissatisfaction and distress among the emigrants during the following winter, and it was necessary to advance them further sums which, in some cases, were found by dividing a family into two, and advancing the whole or part of another 120 *l.* to a grown-up son who would take up another 160 acres.

In

In 1889 the arrangements were begun in good time, and 49 families sailed on the 3rd April, and were located about 200 miles to the north-west of the first settlers. The emigrants were told that no advances would be made them on this side of the water. They had to provide for their own clothing and outfit from the sale of their stock and possessions, and in result the average expenditure per family before the arrival at their destination was 35 *l.*, as against 54 *l.* in 1888, leaving a balance of 85 *l.* to be expended in Canada; and there was therefore no occasion for an additional advance. McNeill, 363. Colmer, 729–731.

Mr. Mackenzie read some most unfavourable letters from the Government crofter settlers in Manitoba; and threw doubt upon Sir Charles Tupper's statement as to their means and contentment; and he strongly deprecated the idea of settling 1,250 families in British Columbia; having heard from people there of the risk there would be of half the emigrants dying of starvation. Mackenzie, 4728. 1825. 4833. 4845–55.

Mr. J. G. Colmer, the secretary of the Crofter Colonisation Board, who gave evidence last year, having visited both crofter settlements in the autumn of 1889, upon which he had made a report, now gave evidence as to their condition, and in reply to the charges made by Mr. Mackenzie. Colmer, 5909 *et seq.*

The general effect of this evidence was that, "in consequence of things being done in a hurry, and without the requisite preparations, which ought to have been made on the spot, there were legitimate causes for some of the complaints; and, secondly, that the money was not sufficient for the purpose of giving these settlers a good start," and also that extra expense, delay, and discomfort was caused by the emigrants not going at once on the land that was selected for them. Indeed, only 12 out of the 49 took up the particular land which had been originally allocated to them. 6154. 6133. 5911.

With regard to specific complaints, there was certainly considerable discomfort in having a train journey of eight or ten days from Halifax, immediately after the 10 or 12 days at sea, and a sufficient number of sleeping cars was not provided. 5911.

At Saltcoats an emigrant shed and tents were provided, but the accommodation was insufficient, and some had to sleep in the railway cars, but this period was lengthened, as already explained, by their unwillingness to take the lands selected for them, and the most valuable time of the year was wasted in this way. 6031, 2.

The emigrants were all kept in food, and it was even supplied to them all through the winter, which was not originally intended; there was no starvation amongst them. This is borne out by the written statement of Mr. John Mackay, Presbyterian Minister. 5915, 6. 5919. 5923.

With regard to clothing it seems that the Saltcoats emigrants, who, it will be remembered, had no money advanced to them in Scotland, and were supposed to find their own outfit, took a very insufficient supply of winter clothing with them. Mr. Colmer, foreseeing a difficulty in this matter, arranged for clothing to be sent to them from Winnipeg, and the Presbyterian congregation in Winnipeg also sent a large supply, so that this deficit in the arrangements was thus rectified. 5927. 5922, 3.

Difficulties were also due to the crofters themselves, as they were unwilling to work even in unloading wood for their houses without being paid for it; and they also refused to take work that was offered to them, although Mr. Colmer arranged with the railway company to give an extra contract for the sake of providing work. 5913. 5922, 3.

The experience of everyone, says Mr. Colmer, now is that 120 *l.* is insufficient for each family, including the journey. The average spent upon each family was 148 *l.*, and he thinks 150 *l.* to 180 *l.* the right amount; and that if you spend money in providing them with three cows and sufficient stock, it is really more economical in the long run. 5932, 3. 5942.

With regard to these two colonisation experiments Mr. Colmer says, "I would not go as far as to say that they have not been a success; the best of success will be in a few years, when their payments begin to be made; but I say that we have learned by experience that we can handle large bodies of people, like these we have been dealing with, with greater facility and more satisfaction, in consequence of our experience." "Our experience will be most valuable if any further extensive colonisation is contemplated." 6069. 6047.

The following are some of the points which Mr. Colmer thinks should be carried out in any future scheme:— 5925.

(1.) The families should be properly related, no parents above 50 years of age, and no additions of friends to a family, who only leave it, and leave it burdened with the cost of their passage.

(2.) Greater care must be taken as to the clothing; the families should be made to provide enough for themselves before starting. 5927.

(3.) The land should be selected beforehand for the people; some of the land broken up for them the previous June, which would enable them to raise crops their first season; and a house might be erected, or partially erected, for them. 5928.

(4.) This, however, would necessitate that, as a condition of the money being lent, the people should undertake to settle upon the land allotted to them. 5928. 5966–8. 6033.

(5.) On the other hand, that the settlers should be allowed to choose their own stock and implements after arrival, subject to the agent being there to see that they were not cheated, otherwise, if anything goes wrong with what has been bought for them, they throw the responsibility on the agent. 5930.

(6.) That instead of doling out provisions, a definite sum should be placed to the settler's credit with the storekeeper. If they know their supplies are thus limited it creates a spirit of independence, and they are more likely to go and work. 5931.

(7.) Not more than 40 or 50 families should be settled in one district, as it is well to get them mixed up with other people; and one good agent might do for two or three such groups. 5934, 5.

(8.) There is not work to be had in every district, and an attempt should be made to settle them where work is to be found, as near railway works, and this year settlers would be provided with some work in improving the land for the people who would be coming out the next year. 5934, 5. 6041, 2.

(9.) This preparation is so desirable, that it would be unadvisable to send out settlers next year, as it would even now (July) be too late to make all the arrangements which experience has shown to be desirable. 6078, 9.

(10.) Something more might be done to make the journey more comfortable; but it must necessarily be a great strain on anybody, especially after the sea voyage, and yet the extra 1,000 miles from Halifax is desirable in order that they may get on the land early in April, which they could not do by the Quebec route. 6014, 5. 5928.

Mr. Colmer spoke favourably of the present condition of the 1888 settlers; and spoke very highly of the industrious, self-reliant character of German and Scandinavian settlers, who went far for work, worked hard, and helped each other. He is still opposed to any considerable scheme of assisted emigration as opposed to colonisation. 6103. 6035. 5938, 9.

(x.) The Commercial Colonisation Company of Manitoba, which is purely a commercial company, placed in the year 1888, 65 well-selected small Scotch farmers on free grant lands in Canada, adjoining the lands of the Company. In 1889 the number was increased to 100; and all, with one or two exceptions, are reported to be doing well. £.120 was lent to each family, but most seem to have had some means of their own. The period of repayment has not yet been reached; and it is therefore too soon to draw any conclusions as to the financial success, or otherwise, of the scheme; though the witnesses consider such success as practically certain. Granting this, the scheme is not of much practical value for the purposes of the Committee as the families mostly have means of their own, and the Canada Settlers Loan and Trust Company (which has succeeded and taken over the business of the Commercial Colonisation Company of Manitoba) would not take the people from the congested districts of Ireland and Scotland as a commercial speculation, but only if the advance was specially guaranteed. Grahame, 1982–2133. 2073–4. 1996. 2004. 2016. 2121. Oliver, 2152, 2230–2.

White, 2882. (xi.) It only remains to mention the two colonies founded in 1886 and 1887 in South Africa through the munificence of the late Lady Ossington. The colonisation was conducted by Mr. Arnold White, who claims to have nearly solved "the problem of how to plant unemployed British labour on unemployed land in the England beyond the seas." Yet the first of these settlements, Wolseley, where 24 families were settled, was closed, and not an emigrant left upon it two and a-half years after the commencement, although "never in the history of colonisation did a body of
2883, on p. 170. settlers begin their new life under easier conditions, and with more auspicious prospects." Among the causes of this failure are given, that instead of working themselves the men employed Kaffir labourers as partners, that neither the emigrants nor the land were well selected, that there was local opposition, and that it was not well managed. Not a sixpence of the money expended has been repaid.

2916. The second colony, Tennyson, has had more success. In 1888, 25 families went there, and most of those who
2910. have left have been replaced; there are 22 there now. The average cost per family, including expenditure on the land, was about 270 *l.*; but the land was not bought, only rented from neighbouring proprietors on very binding terms at
3070, 7 *s.* an acre, which includes irrigation, an essential in these parts. There are very strict regulations as to the exclusion
2961-2. of drink, and as to making the people work, without which they do not get their rations. Mr. White thinks the
3011. ultimate success of the experiment probable, but would prefer to wait another year or 18 months before
2916-8. recommending further expenditure or similar settlements. Yet he speaks of the large produce from the colony, and
3069. of there being no more thriving community than the Tennyson settlement; and of the colonists as being hopeful, happy, and industrious.

This settlement seems to contain elements of much promise; there has not yet been time to show if it will be a financial success. It must be long before the loss on Wolseley is recouped.

(b.) Emigration.

Ruttledge Fair, 2075. (i.) By far the largest emigration scheme on which evidence has been given was that of Mr. Tuke's Fund.

Tuke, 3401-4. The origin and organisation of the scheme was chiefly due to Mr. J. H. Tuke, who had long taken a special interest on behalf of the poorer population in the West of Ireland, and when, in the spring of 1882, he wrote from Ireland about the distress and proposed emigration, his appeal was warmly taken up by the late Mr. Forster, then Chief Secretary for Ireland, and others, and a committee was formed for raising funds and carrying on the work, with the Duke of Bedford as president, and the Right Honourable W. H. Smith as chairman.°

Hodgkin, 2322. Fair, 2083-2091. The operations of the committee were confined to some of the congested districts in the West of Ireland, chiefly the unions of Clifden and Oughterend in Galway; and the unions of Belmullet and Newport, in Mayo. From these districts the committee emigrated nearly 10,000 persons during the years 1882-84. In the first year the expense was entirely borne by private contributions, which in the three years amounted to about 20,000 *l.* The success of the work in the first year induced the committee to memorialise the Government, and led to grants for emigration being authorised by clauses in the Arrears of Rent Act, 1882, and the Tramways Act, 1883. In 1883-84 the committee received 44,000 *l.* from the Treasury under those Acts. The average cost per head in the three years was 7 *l.* 6 *s.* 7 *d.* It was chiefly whole families of emigrants that were sent out, and great care was taken in their selection by Mr. Tuke, Mr. Sydney Buxton, and other representatives of the committee, who also made special arrangements for their shipment from different points on the West coast of Ireland.

2094. 2105. 2134-9. Hodgkin, 2333-4. On the other side of the Atlantic the emigrants were disposed of by sending them to their own friends, or by sending them to the care of priests, private gentlemen or employers, both in the United States and Canada, with whom the committee had previously been in correspondence; whilst in Canada a great many were also taken charge of by the Government immigration agents.

Fair, 2082. 2145-56. The result of this emigration has been very satisfactory, both as regards the emigrants themselves and as regards the districts which they left. Two of the witnesses had visited many of the families in their new homes. One reports it was impossible to recognise them, they were so improved; and another lays stress on the still greater change for the better shown by the emigrants in their second year. And Mr. Tuke quoted the

Hodgkin, 2328-2332 and Appendix 4. Tuke, 3413-5. 3422-8. 3460. Fair, 2125. 2131-3. 5081-84. opinions of Bishop Ireland, of St. Paul, and some of his priests, on the vast improvement that had taken place in the emigrants who went to his district, and who "have become a most valuable and important addition to the community." Mr. Tuke also gave evidence of diminution of pauperism, consolidation of holdings, and increase of wages in the districts from which emigration had taken place; while the amount of money that had been sent from emigrants to their friends in those districts was very large, amounting it is estimated to 8,000 *l.* or 10,000 *l.* a year, in one union alone.

5796, 7. 5804, 5. 5848-52. 5686. 5691. In the opinion of Mr. Robinson, a Local Government Board Inspector, there has been a great improvement, due to emigration in limited areas, where it has been effectually carried out. There has been a diminution in the number of people relieved; and in certain townlands which he knows personally, where the people would have to have been relieved in years of scarcity, there are now no people, and special measures are not needed. And he spoke especially of this favourable change in Belmullet, where the emigration has been most systematically conducted.

There has also been a considerable consolidation of holdings, left vacant by emigration. The Emigration Commissioners in 1884 reported that it has taken place to the extent of 90 per cent. Mr. Robinson "has no doubt that emigration is the remedy for the condition of these congested districts."

Parnell, 5642-50. And Mr. Parnell spoke favourably, as far as he knew, of Mr. Tuke's emigration, and thinks the districts were benefited by it to a certain extent; but as they went to friends in America, &c., he does not think it applicable to emigration on a large scale.

R. Fair, 2569. 2577. (ii.) There was also a large scheme of Government assisted emigration from the West of Ireland in 1883-84 carried out by boards of guardians. Apparently it followed in many respects the lines of Mr. Tuke's scheme which was in operation first.

Colomb, Appendix 14. No detailed evidence has been given, except as regards the Emigration conducted by the Kenmare Union. From the memorandum handed in by Sir J. Colomb, who was principally responsible for the conduct of the Emigration, it appears that the numbers assisted in the two years 1883-84 were 1,050, at an average cost of 5 *l.* 8 *s.* 4 *d.* in the first year, and 6 *l.* 3 *s.* 6 *d.* in the second, which was met almost wholly by the free grant, though a small amount was
7447-59. borrowed from Government. The Emigration was by families, to which fact Sir J. Colomb attributes the cheerfulness of the emigrants on their embarkation, though he also strongly advocates emigration by families with the view of consolidation of holdings. The emigrants went either to friends in the States, or to Canada, in which case they were approved by the Agent of the Canadian Government. The emigration was conducted with the active
432-4. co-operation of the guardians. The attitude of the priests was one of benevolent neutrality. One of them subsequently visited America, and his report as to the condition of the emigrant families was satisfactory.

The chief effects in the locality resulting from this emigration were that the rates were considerably reduced at the time, and are still lower than before the emigration; that the vacated holdings were taken up by neighbouring tenants; and that the large annual demand in winter from able-bodied men for work or relief has ceased.

Owen, 2833-42. 29. 12-28. (iii.) Information has also been given as to emigrants assisted from England by the poor rate. During the last 10 years the number has been 3,337, at an authorized expenditure of 23,390 *l.* Of this number 2,620 were children, mostly orphans.

° NOTE.—The executive committee of Mr. Tuke's fund consisted of: The Duke of Bedford, president; the Right Honourable W. H. Smith, M.P., chairman; Mr. S. Whitbread, M.P., vice-chairman; Lord Tavistock, M.P.; Sir Fowell Buxton, Bart.; Honourable Henry Cowper, M.P.; Messrs. H. S. Northcote, M.P.; Arthur Pease, M.P.; William Rathbone, M.P.; and J. H. Tuke. The Right Honourable W. E. Forster, M.P., joined the committee after ceasing to be Chief Secretary. Treasurers: Messrs. Gurney Barclay and Arnold Morley, M.P. Hon. Secretaries: Messrs. Sydney Buxton, M.P., and Howard Hodgkin.

orphans, sent to Canada ; and the reports received about them are very favourable. The number of children sent have been increasing in recent years, but there seems still to be plenty of demand for them in Canada, where they are welcomed.

(iv.) Mr. Tomlinson has given evidence of the Church Emigration Society, which has sent out 1,400 emigrants during the last four years. The actual expenses are mostly paid by the emigrants themselves or those interested in them ; and the work of the society is chiefly confined to giving the emigrants letters of introduction to clergymen and others in the colonies ; and the society writes beforehand to these correspondents telling them what emigrants to expect. More work would be done if the society had more funds. Tomlinson, 2796. 2779. 2752.

There has not been much evidence about the three leading London emigration societies, the Charity Organization committee, the Self-Help, and the East End emigration societies, who between them send out yearly about 2,300, which will be less this year ; and the annual amount expended by these societies is about 5,000*l.* These three societies have recently formed a federated council, with the view of closer co-operation, and in the belief that, if a great need for emigration arises, this united council "would be in stronger position to obtain funds, and to see to the proper organization of the emigration." The Self-Help Society has about 50 voluntary agencies in different parts of Canada ; and could through them place a much greater number of emigrants than they are able to send out. Tuke, 3452–3. Hodgkin, 2337–41. 2357.

III. The third subject of inquiry is, "WHETHER IT IS DESIRABLE THAT FURTHER FACILITIES SHOULD BE GIVEN TO PROMOTE EMIGRATION."

This is a subject which is surrounded with difficulties, and upon which very divergent views were held by the witnesses. On the one hand, there is the extreme view that emigration is not needed.

Sir H. Owen states that the number of paupers in England and Wales was 940,000 in 1858, while in 1889 it had fallen to 817,000, although the population had risen from 19 to 28 millions, and he did not think that there was any evidence to show that the net increase of 1,000 a day might be a source of national danger to this country, and that he did not regard this increase with apprehension. And Mr. Giffen, while not liking to say that he did not regard the increase of population with apprehension, stated that "at present the increase of the population has been an increase of population which is increasingly prosperous as far as things have gone yet." He says : "I think the conclusion must be, taking the thing very broadly, that while you have a large increase of population in this country, the best observation leads us to the belief that as there is this population which increases in number so much and also on the whole increases in well-being, that does not suggest that there is any general over-population of the country at the present time." The figures show that 5-12ths of the excess of births over deaths is the amount of people in recent years who have been leaving the country. And Mr. Giffen is of opinion that these facts show that there is no necessity to stimulate emigration by artificial means. And he is further of opinion that in so far as emigration may do good in particular cases, and benefit the individuals concerned, it does not contribute in any great degree to the solving of the problem in question, but only postpones its solution for a short time. Owen, 3011 to 13. 3023 to 4. Giffen, 642. 614. 595. 597. 613. 624. 662.

Mr. C. P. Lucas, who is at the head of the Emigrants' Information Office, is in favour of letting emigration take its natural course ; he does not regard it as any remedy for over-population generally, thinking that if you lighten the pressure of population the birth-rate would rise again. And he is further opposed to Government assistance to emigration, believing that the money would not be repaid. Lucas, 1438–9. 1462–3. 1689–94.

On the other hand, there is the extreme view that a large emigration which could only be carried out through Government assistance is urgently needed in order to meet what is thought to be so serious a national disaster as the addition of about 340,000 a year to our population. The Earl of Meath was the only advocate of this extreme view who gave evidence, but he speaks on behalf of many others who held these views, and Sir B. Leighton also expressed a strong opinion in the same direction. There are others who, without taking this extreme view, are in favour of some State-aid to relieve by emigration the increase of population. Meath, 3166. 3182, 3194. Leighton, 3968, 4068. Tomlinson, 2832–3.

Mr. Rankin considers it to the advantage of the Government that a number of persons should be sent out of this country, though such be satisfactory workers. He says :— Rankin, 1908. Cf. 1839.

"We have in our population roughly 2-5ths in the country and 3-5ths in the towns ; the population of the country parts is annually decreasing, whereas the population of the towns is rapidly increasing, so that there is, generally speaking, considerable difficulty in finding work for the people in the towns. What I would like to see is that the surplus population of the country be tapped by emigration or colonisation societies or companies, before it got into the towns, where they would be good colonists. * * * I am fully aware that those particular persons would themselves never probably come to want, but the tendency is that they shove out others, who from various causes have grown weaker and less able to work in the towns ; and it is by those persons coming in from the country that the plethora of labour and want of work is created in the towns."

Sir Charles Tupper, speaking rather from the Imperial point of view, says :—"I do not believe it is possible to attach too great importance to everything that is possible being done by this country to colonise the great possessions we have abroad. It relieves in the first instance the congested districts of this country. You have in Canada the means of placing persons, of whom we require to relieve this country, in a position to become, instead of a burden to the State, producers of national wealth. You have an opportunity of doing that for the benefit of the colony, and at the same time it is most useful and beneficial to this country ;" first, because the settlers become "purchasers of English goods, and in the next place you have in this way the means of providing homes for your surplus population under the same flag." Tupper, 1556.

These are the chief views as to emigration in general But a distinction must be drawn between "emigration at all times," in order to meet the constant growth of population, and the two following forms of special emigration :—

(a.) Emigration from congested districts on the West Coast of Ireland and Scotland.

(b.) Emigration in times of special distress or other exceptional circumstances.

(a.) The first of these met with almost general approval from the earlier witnesses.* Giffen, 615. 624 and 660. 675–7.

Even Mr. Giffen thought it might be expedient to give assistance in such cases. Mr. Lucas is of the same view, while Mr. Burnett, speaking for the more intelligent of the working classes, viewed with favour Government aid to emigration from the congested districts, although he was opposed to any general scheme of State-aided emigration. 683. 707. Lucas, 1441–2. 1713.

Those most intimately acquainted with the congested districts themselves speak strongly of the necessity of a large scheme of emigration, in order to relieve those districts from a condition of chronic poverty which every few years is liable, owing to a failure of crops or otherwise, to become a condition of real distress. Burnett, 1803–5, 1971–2.

For Scotland there is the evidence of Mr. McNeill, who would like to see at least 2-3rds of the population of the Lews removed, and to see assisted emigration extended on a large scale to all the counties affected by the Crofters' Act ; and although the emigration has as yet been of very small dimensions, he is of opinion that the people of the township from which the emigrants were taken have benefited. Mr. Begg, whose scheme for crofter emigration has been already referred to, was born a crofter and knows the condition of these people, and thinks it most desirable to reduce the surplus population. There is also the evidence of Mr. Edwards and Mr. M'Cree in the same direction. McNeill, 392–3. 483–6. 498–9. 374–5. Begg, 3076–7. 3254–6. Edwards, 3625, 3793–4. M'Cree, 3856, 3870, 3890.

As to Ireland, Major Ruttledge Fair speaks in the strongest terms of the necessity of a large scheme of emigration from the west, and even from other portions of Ireland, as a means of relieving the hard condition of a large portion of the population ; and the anxiety of the people to leave, in spite of the sentiment for staying in the country, is strong evidence of the need for assisted emigration. Ruttledge Fair, 2230–7. 2365.

Mr. Tuke, whose interest in the Irish peasant dates from the great famine of 1846, while advocating many other remedies Tuke, 3401. 2343–5.

* NOTE.—When the whole question of migration came to be discussed at length, a different opinion was expressed by some, as will be seen on reference to the summary of that evidence, pp. 57–62.

Tuke, 3405. remedies for the unfortunate condition of the congested districts, has always maintained the necessity of a large emigration; writing in 1880, he recommends as one of the remedial measures for Ireland "that under careful and systematic supervision, families should be assisted to emigrate from over-crowded parts of Ireland." And writing in 3431–6. 1886, he says: "What seems to me needed for the relief of these (the congested) districts is the establishment on a permanent basis of an emigration department, which, with a competent staff, and the co-operation of a voluntary committee, combined with systematic and careful oversight at the various ports of departure and arrival, shall from year to year, and not spasmodically, deal with all applications for assisted emigration, and advise or make grants in each case as may seem best." But outside the congested districts of Ireland, and presumably of Scotland, he is of opinion that emigration may be left to natural operations. And he thinks the causes which lead to the development of assisted emigration apply much more to the West of Ireland than to the large towns of England.

Colomb, 7466. Sir J. Colomb advocates State aid to Colonisation as the only practicable relief to the congested districts, 3538. See also Sir B. Leighton, especially 3957, 4065 and Hodgkin, 2342.

(b.) There was also evidence in favour of assisting emigration from any part of the United Kingdom in times of special distress or under other exceptional circumstances.

Burnett, 1803. Mr. Burnett, speaking of the feeling among trades unionists, discusses this question at some length. He says:—"Some are of opinion that as a means of relieving districts in which special industries may have decayed or broken down, the State might do something to mitigate distress by emigrating some of the surplus population. To go beyond this they think might give rise to considerable jealousy and heart-burning. As a method of relieving the labour market in times of intense depression, they are more doubtful of the efficacy of emigration. They perceive that, to do this at all effectually, the system would have to be applied on a gigantic scale with, in times of depressed trade, large numbers of workers unable to find employment at home, and when countries abroad are sure to be suffering in the same way, they feel that the situation could only be improved but slightly by emigration, even on a wholesale scale. Nor do they consider that at such a time the position of those left behind would be much improved. They do not go so far as to inquire if there are still many lands available for new colonies. In times of good trade there is still a considerable floating unemployed population. Times of good trade are really most favourable for emigration, but those are times when few wish to emigrate.

"It is also a period when the surplus labour is of a class least likely to furnish good colonising material. It is also felt that while the administration of such a system might satisfy the few, it would increase discontent among the many who received no direct benefit from it."

Herbert, 1111–3. Sir R. Herbert thought the Government might risk an advance of money when there was a pressing and urgent
996. necessity, in times of exceptional pressure and in those places which are exceptionally congested; and he stated that, "it has been the opinion of the Colonial Office that in times of great congestion, and when employment has been very difficult to obtain in this country, it would be expedient" for the Government to assist emigration.

Tuke, 3446. Mr. Tuke says: "When there ceases to be that amount of employment for the people (which there now is), we have a number of people demanding relief in some way; and when there is a demand for labour, whether in the Colonies or the United States, I should suggest that the Government should assist those people to take the entire property which they possess, namely, their work or labour, to the best market. I believe it would be at present to a very limited extent, but that does not prevent my feeling very strongly that it is desirable that there should be an emigration council or committee who should be entrusted with funds from the Government to assist either in emigration or in a preliminary attempt at colonisation."

Tomlinson, 2833. Mr. Tomlinson thinks it will be "absolutely necessary for the State to give aid to emigration in some form, if another period of depression comes, unless we are to be most fearfully crowded out in the towns."

Hodgkin, 2476–87. Mr. Hodgkin advocated emigration in times of depression, though he preferred private assistance, and thought Government assistance should only be resorted to under very exceptional circumstances.

Herbert, 1178–80. Tomlinson, 2755. Oliver, 2245. Hodgkin, 2339. There is clear evidence that at the present time there are no exceptional circumstances rendering assistance to emigration specially desirable; there is a greatly increased demand for labour in this country, and the applications for emigration to the various existing agencies have greatly fallen off in the last year.

Tuke, 3446. 3450–1. Cf. also Hodgkin, 2341. But if steps are to be taken for giving assistance in times of distress, it is urged by Mr. Tuke, "that this is the very time to form an association, so that they may not be troubled with a great demand all at once, but may proceed deliberately and quietly, and so perfect their arrangements for any demand that may arise."

IV. On the supposition that some emigration, at any rate from the congested districts, seems desirable, it is necessary to summarise the evidence as to "THE MEANS BY, AND THE CONDITIONS UNDER, WHICH EMIGRATION CAN BE BEST CARRIED OUT, AND THE QUARTERS TO WHICH IT CAN BE MOST ADVANTAGEOUSLY DIRECTED."

It may be well, in the first instance, to deal with the much disputed question between emigration and colonisation, although there is no necessary reason why the two should not go together.

Hodgkin, 2343. Tuke, 3540. Tomlinson, 2757. The advocates of emigration claim for it, that it is much more easily carried out, more easily managed, more likely to succeed, and less costly. Mr. Tomlinson, of the Church Emigration Society, says: "The best plan, from the experience we have gathered and the information we have received, is that anyone going out, even with capital, does a great deal better if, for the first year, certainly, he engages himself as a labourer to an old colonist, when he learns the way of things, and can take up land for himself and do very much better. The great advantage of emigration over colonisation is that it is so much cheaper; and all you have to do is to pay a man's passage out, and give him a certain amount of money to start him until he gets into work, and in a year or two he is very often able to take up land for himself."

Hodgkin, 2374–9. 2580–5. Tomlinson, 2758. Tuke, 3472. 3532. Herbert, 995. As to the relative cost of the two systems, it is clear that colonisation requires a larger initial expenditure, but if that money were all repaid or recovered by means of the security taken on the land, it would be the cheaper method, for it seems certain that it is practically impossible to obtain repayment of loans from ordinary emigrants, who move about too much to make the collection of such loans possible. The experience of those concerned in emigration proves this.

The simplicity of emigration as compared with colonisation, and the success which had been obtained by the committee of Mr. Tuke's fund, and the small emigration societies, such as the "Church" and the "Self-Help," would *primâ facie* point to emigration being the best means to adopt. But with regard to a large scheme of emigration, there is the difficulty that the colonies and the United States might not be prepared to receive a large number, especially if assisted by Government funds; a difficulty which seems to be increasing.

Owen, 2347–50. In recent years there have been several Despatches from the United States Government showing their disinclination to receive emigrants sent out by "foreign governmental agencies, and at the public cost;" and that this objection would not be obviated even if they were going to friends. It would seem that this opposition is not confined to emigrants assisted at the cost of the rates.

Burnett, 1825. 1863. Fair, 2106–2121. Lucas, 1610. Hodgkin, 2344–8. Mr. Burnett also gave evidence as to the objection of employers of labour in Winconsin to immigration, and said he believed those views "expressed very generally the feeling entertained not only in the United States but in our colonies in that respect, and he spoke of the growing opposition of American trade societies to immigration." Major Fair thought that any number of emigrants might be sent to the States, but not to Canada. In addition to other evidence, there is also the following evidence from official representatives of the Colonies.

Broome, 223–6. 62. Archer, 741. 770. 792. Western Australia would object to any bodies of artizans being sent out without the approval of the Local Government, the absorbing power of that colony is not now great. In Queensland there are two parties, one in favour of immigration, and one opposed to it; but in any case "you may overdo emigration, and send out such a numerous lot of emigrants that they could not get occupation when they arrived."

Blyth, 966. In South Australia there is apparently no public feeling against the arrival of those who can pay their own passages.

passages. But if any assisted scheme were adopted, the colony would want to supervise the choice of the emigrants, and would certainly not admit paupers. There does not seem to be the same jealousy of immigration in Tasmania as in other colonies; even the Trade and Labour Council, who might "apprehend disadvantage from the increase of population," are not averse to it; and "there is no question that in Canada, as in all countries, the parties who are engaged in manual labour are averse to too much competition." Blyth, 991. Braddon, 1036. 1068–71. Tupper, 1677.

It is thought that this difficulty in the way of an extensive emigration scheme might be largely met by careful selection of the emigrants, so that they would not be a class objected to by the colonies and by making arrangements for placing them where work could be found, so as to prevent their becoming a burden to the new country. Tomlinson, 2794 to 2795. Hodgkin, 2433–9, and 2357.

Care as to the placing of the emigrants is a necessary element of success in any emigration scheme, as was shown in the case of Mr. Tuke's fund, also in the "Self-Help" Emigration Society, who have voluntary agents in 50 different places in Canada, and in the event of any extensive emigration scheme being carried out by the Government or an association, it would seem necessary to have an agency in the countries to which the emigrants are sent, for receiving and placing them. Such an agency already exists in Canada under Government auspices, and also in Queensland. It is possible that other Australasian governments might be induced to revive such agencies, but they are not to be found at the present time. Whatever might be done by colonial governments it would probably be necessary for the emigrating body to have a number of emigration agents of their own, paid or voluntary. Fair, 2105. Tupper, 1609–11. Archer, 722. Hodgkin, 2357, and 2495, 2500.

But however complete and effective this system of agents might be, it would probably not be sufficient to obviate objections being raised by foreign and colonial governments to State-aided emigration on a very large scale, it is therefore necessary to consider the feasibility of colonization schemes which would not meet with the same opposition, and in some cases would be even welcomed in the few colonies in which they are still possible.

A variety of views has been expressed by the witnesses on this vexed question. There are some warm supporters of colonisation, such as Sir Charles Tupper (*vide* p. 51), who thinks the security of 160 acres for an advance of 120 *l.* is ample, and who says the Canadian Government are anxious to do all they can to encourage colonists; and Mr. Braddon, the agent general of Tasmania; Sir Napier Broome and Sir Dillon Bell, though doubtful of the financial success of colonisation schemes, are yet desirous that they should be tried. Tupper, 1556. 1801. 1642. Braddon, 1030. Broome, 20–8. Bell, 1156.

Major Fair would like to see it tried for the Irish, and Mr. M'Neill thinks it is more fitted than emigration for the Scotch crofters; and Mr. Edwards also considers it well suited for them. Mr. Rankin and the Earl of Meath both advocate large schemes of colonisation from England; the former through a company; the latter through a department of the State. Mr. Lucas would sooner see it tried than emigration, while from Mr. Arnold White's comparison of the two systems it may be taken that he is in favour of the former. There are some who, while not having much faith in the ultimate success of colonisation schemes, would like some further trials of it as experiments. Others are opposed to colonisation, or do not think it would be a financial success, or suited to the persons requiring help. Fair, 2647. M'Neil, 507–8. 566–70. Edwards, 3633. Rankin, 1837. Meath, 3182. Lucas, 1443. White, 2883. Tuke, 3446. Hodgkin, 2411.

Mr. Tuke says: "My own conclusion is that the class of very small cultivators of land in the West of Ireland are, as a rule much more fitted to go out and work for a time, and then acquire land, as the result of their own energy, than to be placed at once upon the land; and that is the result of all the information or knowledge that I have been able to obtain upon the question." And, speaking of England, he says that in no instance in his work in London or Hertfordshire, has a family come forward whom he would say were fitted to be placed upon the land as colonists. Tuke, 3410. 3446, 3468–9, 3539.

Sir F. Napier Broome, speaking of a proposed colonisation scheme by the Imperial Government, which he strongly supports, says:—"It is not reasonable to look for a return upon money invested in such an undertaking at all; you must look upon it as a philanthropic undertaking, getting what return you can," and elsewhere he says, "it could not be a profitable undertaking for a company." Broome, 242. 18,191–3.

Sir T. Campbell doubts "whether anything but natural settlement really answers well in a colony." Mr. Parker, also speaking for Western Australia, says: "I think it would be a most unwise thing to send an agricultural labourer out there, and to settle him upon the land at once, and advance him money. I think the probability is that he would fail;" and see his remarks as to the success of men beginning as labourers who have *afterwards* taken up land. (502.) Campbell, 437. Parker, 516.

Sir Dillon Bell is of opinion that, "it would be very difficult to invent a colonisation scheme which could ensure a return," though probably the principal could be recovered. Sir C. Mills considers the former South African colonisation schemes do not furnish any satisfactory precedent for a special colonisation scheme; and he does not hope much from such schemes, because the emigrants expect too much, such as a daily delivery of letters, and a railway station within a measurable distance of their farms, and not finding them they become discontented and go away into the towns, or to the gold or diamond fields. Bell, 1226–30. Mills, 1468. 1361.

Sir Saul Samuel says, "I am not an advocate for a scheme of colonisation myself, I would rather see emigration so that the people going to the country should go there gradually. I should not care even if it were under an assisted scheme. That is my own opinion; and that after they had gained a little colonial experience, and had begun to understand the climate, the nature of the soil and the seasons, they should then take up land. I do not believe in taking up people as it were in a balloon, and then letting them down and saying, 'Cultivate the soil,' because I am sure it would fail if attempted upon any large scale." Samuel, 913.

Mr. Hodgkin says: "Amongst colonists the common opinion is that a man coming out ought not to go on the land at once, but that he ought to work first, and learn the ways of the country." Hodgkin, 2374–9. 2530–5.

There has also been a considerable expression of opinion as to outside employment being a necessary part of a colonisation scheme, in order to supply the settlers with wages while their own land is being gradually made remunerative. And as there would not be an unlimited amount of work for such people, especially in the more outlying districts where they would be settled, it appears that there is a limit to the extent to which colonisation, as well as emigration, can be carried out. Sir N. Broome says that small colonists require to work their farms in connection with other employment. Mr. Parker says it would not be well to leave them on their own resources. "While he is preparing his land," says Mr. Braddon, "the man ought to be earning a livelihood for himself by labour outside." Sir D. Bell thinks, "such colonists ought to look forward to several years of employment during a portion of the year, and that if you were to invent a plan by which they should be entirely dependent upon their own labour and resources, without gaining wages, you would have to go into a totally different calculation." Broome, 89. Parker, 515. Braddon, 1044. 1076–9. Bell, 1213–20. 1267.

Sir Charles Tupper, speaking of the crofters, said, "The principal difficulty has been the inability to furnish them with all the labour that would be desirable. It is a great assistance to them before they have land cultivated in order to raise much of a crop, that they should be able to get labour." Tupper, 1721.

The essence of the Feilding settlement was that the settlers had work from the day of their arrival. Feilding, 1587. Hodgkin, 2351.

It may be convenient here to give a *résumé* of the results of the colonisation schemes that have been tried. It will be seen that they have failed to satisfy the three elements of success before given, for though the individuals may be better off than they were at home, in some cases the settlers, or a large proportion of them, have left the land, and perhaps in no case can it yet be said that the repayments have been satisfactorily made so as to make the scheme a financial success.

In Father Nugent's and Mr. Sweetman's schemes that of the East London settlement and Mr. Arnold White's first colony, and the Manchester settlers, referred to by Sir Robert Herbert, the failure in both these last points has been complete.

The German settlers in South Africa, whose hard work and endurance made them most fitted for colonists, succeeded admirably and paid for their land and houses, but they did not repay the 90,000 *l.* advanced by the Imperial Government for their first year's rations. Mills, 1443.

The crofter schemes are still in the experimental stage, but the repayments by Lady Gordon Cathcart's settlers, even of interest, have not been satisfactory after seven years' trial, and though many of them were possessed of means of their own, and Mr. Arnold White still speaks in the most cautious way of the ultimate pecuniary White, 2961–2, 3011.

Oliver, 2144, 2166, 2230, 2232.

Feilding, 1520. 1513-4.

1525. 1511.

1513.

pecuniary success of the second colony, and if Mr. Oliver's prediction of the repayment of principal and interest by his settlers prove true, it must be remembered that they all had private means, and that his company would not take crofters or people from the congested parts of Ireland without a special guarantee. As regards the Feilding settlement in New Zealand, which may be considered in some respects as the most successful, it must be remembered that free passages were given by the New Zealand Government, that the land was sold at a reduced price on condition that the emigrants should be brought out, that there was an abundance of work at high wages, always to be obtained by the emigrants, that they were settled at a great distance from any town, and escape was almost impossible, that the venture was a land speculation and not only a colonisation scheme, and that notwithstanding all these advantages, the company has only paid an average dividend of 5½ per cent., no very high rate for a commercial undertaking.

The conclusion, therefore, seems to be that if colonisation cannot be said to be an absolute failure, it has certainly not yet been shown to be a success. A few years hence, inquirers would be in a much better position to report upon colonisation, for the several existing schemes would have had a longer trial.

This may be a convenient place to summarise the evidence of the agents general, and others, as to the colonies in which any large colonisation scheme would seem possible or desirable.

Herbert, 1081. Berry, 1486-99.

Any colonisation scheme in Victoria is practically out of the question, owing to most of the land being taken up, and to the Government being unwilling to assist.

Samuel, 1814. 827. 842-60 and 874-81.

In *New South Wales* there are still 150,000,000 acres unalienated, of which a large amount would be available for agriculture, but there is no provision for free grants, and, apparently, there would be considerable difficulty in the Imperial Government taking land and controlling a colonisation scheme on its own account, and unwillingness on the part of the New South Wales Government to co-operate with in any such scheme. Though Sir Saul Samuel wished in these statements to be considered to be giving his individual opinion only, it does not seem likely, from his evidence, that the New South Wales Government would co-operate in a colonisation scheme. They were the only colony that did not reply to Lord Knutsford's communication on this subject.

Herbert, 1070.

1080.

The *Queensland* Government was unable to encourage any expectation that the working out of the Parliamentary colonisation scheme would be found practicable in that colony.

Archer, 738-9. 795-7. 742. 765-6. 754. 755-766. 771-2.

The Agent General's evidence was hardly more encouraging. There is very little land that is entirely unoccupied; but much now occupied by pastoral tenants, which is of a character suitable for agricultural settlements, could be resumed, but it would have to be paid for; there are no free grants. Though there seems to be no popular opinion against settlement in rural districts, apparently the sanction of the Legislature would be required to any scheme of emigration, even though the expense were borne by this country. The lands could not now be mortgaged to secure advances made by an emigration body in this country, and it is a very difficult question whether the Queensland Parliament would pass an Act enabling this. Mr. Archer seems, on the whole, less in favour of a colonisation scheme than of strong men coming out to do rough work, and such men, he says, need never want.

Herbert, 1080. Blyth, 959-60. 975-8. 996-9.

The *South Australian* Government did not think it at all desirable to entertain the proposals of the Parliamentary Committee, but they are not averse to considering schemes presented to them for special settlement. But each scheme must be considered on its own merits, and the Agent General "could not express any opinion as to what the Government of South Australia would say as to a proposition of the Imperial Government for taking up or buying land there as a company might do;" but the former Government would desire to retain full control over the cost of such colonisation. There are still about 30,000,000 acres of land available and suitable for settlement. Sir Arthur Blyth did not speak very encouragingly of colonisation schemes, but seemed to think that people going out to the colony, especially such as paid their own passage, would now be able to get employment.

Herbert, 1077-9.

Sir Fred. N. Broome, replying for *Western Australia*, cordially accepted the Parliamentary scheme, and suggested that half-a-million of money should be spent on colonisation by the Imperial Government, and that Western Australia should grant the land, and pay such money as the colonial laws allowed in carrying out the scheme. This was, in the main, confirmed by his evidence, in which he said that 100,000 *l.* would be the smallest sum with which it would be worth while for the Government to embark in such a scheme; that each family would cost 250 *l.* or 300 *l.*; that the colony would grant the land free (probably 200 to 300 acres being necessary for each family) in the south-western district of the colony, which has probably 20,000 square miles of cultivable area, and which is the only part of the colony in which a colonisation scheme could now take place. Though the colony would always be prepared to spend such sums as it could afford on assisted passages, Sir N. Broome apparently withdrew the statement in his reply to the circular as to to the colony spending money, and thinks that all the money would have to be found in this country.

Broome, 17. 22-3. 7. 273. 71-7. 20. 282. 155-60. 191-6. 242. 28-9. 91-7. 228. 252. 317-20. 223-6.

The Colonial Government would incur no pecuniary liability, or give any security for repayment of the money, which could, however, be secured upon the land. But it would not do to press the settlers for the money, or they would be discontented and leave the land; and the Imperial Government must not look for the return of the money invested in such an enterprise which, if properly managed, would probably be a success, but certainly an experiment.

His idea is that those who had the conduct of the colonisation scheme should obtain a timber concession from the Government, and should employ the settlers in felling the timber, which could be sold, and clearing the ground. With first-class management by a local man, he thinks such a scheme might be made self-supporting. He would be welcomed in the colony; but the Colonial Government would expect to have a powerful voice in the choice of emigrants who might be sent out. There are no free grants of land in Western Australia, therefore the gift of land for the scheme would be an exceptional favour; for it appears that, even under the present constitution, the Imperial Government would have no power to grant the land or even to send out emigrants without the consent of the local legislature.

Campbell, 397-8. 372-3. Parker, 534-8.

Sir N. Broome's exuberant praises of Western Australia were hardly borne out by the other representatives from that colony who speak less favourably of the colony and its prospects, and are very doubtful of the success of the timber scheme, and of the fitness of the land for agriculture after it is cleared from the jarrah timber.

Campbell, 429. 339. Parker, 502. 478-81. 470. 540.

Sir T. Campbell frankly stated, "I do not agree with Sir N. Broome in saying that Western Australia is better adapted than any other colony for such schemes, because I do not think so, honestly"; while Mr. Parker said, "We recognise, of course, that the land in South Australia, Victoria, and New South Wales is, as a rule, better land than it is with us"; and both preferred that any colonisation scheme should be started on a very small scale at first.

Campbell, 334. 346. 365-7. 437. 378-80. Parker, 519.

On the other hand, Mr. Parker seemed more ready to believe that the Western Australian Government would support any really good scheme with pecuniary assistance as well as by land grants, seeing, as they do, the importance of settling emigrants, and that this cannot be done except with capital. But Sir T. Campbell said there was not much faith put in these schemes by the colonists, and he did not think they would take any risk or guarantee the success of the operation, for "they knew too much for that." As a colonist he would support the Imperial Government spending money on a scheme; but he doubted whether it would answer.

Both these witnesses thought that 250 *l.* per family was too low an estimate.

The general effect of the lengthy evidence as to Western Australia is that the colony does not offer very favourable opportunities to the settler, and is still less favourable for those advancing the money; while the advantages consist in a good climate and abundance of land that might be had for nothing.

Braddon, 1064-70. 1104-5. 1044. 1076-9.

The colonisation scheme in *Tasmania* would probably meet with the good-will of the people and the Government, but the latter are not likely to assist it by any more favourable terms in the alienation of land or by undertaking any financial liability whatever. If, therefore, the Imperial Government or company undertook colonisation it would have to do so entirely at its own risk, and the conditions in Tasmania are perhaps hardly so favourable to success as in some other colonies. The Agent General thought that a well managed scheme out to prove a commercial success, and would certainly result in a profit to the settlers. In his view a settler ought to earn his livelihood by outside labour, although he had a capital of 200 *l.*

Herbert, 1036.

Tasmania sent an unfavourable reply to Lord Knutsford's communication.

There seems a much greater opportunity for a colonisation scheme in *New Zealand*: first, because the colony is more adapted for poor settlers, and secondly, because the Government are more willing and even anxious to co-operate.

co-operate. The Agent General says, "in a climate and soil like that of New Zealand (and I may say similarly in the case of Tasmania), small people can do so much better than they can in countries where the climate and soil are not so favourable to small people." Mr. M'Cree, who has had a large experience in the Highlands and in Australasia, especially New Zealand, says, "that he regards New Zealand, on account of its superior climate and well watered condition, as incomparably more suitable than any of the other Australian colonies for those who would expect to live by the toil of their own hands in the cultivation of the land," and that there is less risk of failure in New Zealand than in any other place, and he further states that the people of New Zealand are strongly in favour of a colonisation scheme. He also compares it favourably with Canada, especially in regard to the climate. Bell, 1176. M'Cree, 3854. 3902–6.

In spite of the disappointment in the colony at the proposals for a scheme being allowed to fall through by the Imperial Government (already referred to), and in spite of the growing feeling against immigration in all the colonies, Sir F. D. Bell, states that so far as regards the Government of New Zealand, they would still be quite ready to enter into any joint colonisation scheme between the two Governments, adding, "I could say most decidedly if there were any prospect of the Imperial Government and the Colonial Government working together for a plan of colonisation, it would be welcomed by almost every one," and the Government would even now be quite prepared to grant the passage-money, supposing a joint scheme be agreed upon, though it is not so clear whether, after the disappointment, the New Zealand Legislature would be of the same mind. "If the Imperial Government, said the Agent General, is at all apprehensive that the growth of population in this country necessitates any scheme of colonisation at all, then we are ready in the colony of New Zealand to act in concert with the Imperial Government upon some plan of colonisation." And though the interests of the two Governments are in some respects different, especially as regards the kind of people assisted, in the choice of which the Colonial Government would naturally expect a voice, yet Sir F. Bell considers "that New Zealand and the mother-country can fairly co-operate together in a system of colonisation, and development of the colony with mutual advantage." It will be observed that this evidence refers not only to crofters, but to emigrants from England. Bell, 1156. 1235. 1279. 1179. 1270. 1182. 1187. 1321.

Sir F. Bell mentioned 100 *l.* to 120 *l.* as the sum required to locate a crofter comfortably in the country, but the exact amount would vary with the size of the family. This sum did not include the passage-money, which it was assumed the New Zealand Government would pay (and he did not believe there could be any real successful plan without free or assisted passages), nor did it include the cost of the land, which presumably the settler would take on deferred payment or on pepetual lease. It is unlikely that the Government would make a free grant of land, but they might consider it favourably. As before stated, he thought that outside employment in the first instance was necessary to the success of these settlers, and it was a matter of great uncertainty what repayments the Government would get (*see* p. 53). 1149. 1151. 1174. 1160. 1203–5. 1210.

Mr. M'Cree thought 120 *l.* a high estimate, that 70 *l.* or 80 *l.* per family would be sufficient, and that even 50 *l.* would be sufficient for a family depending partly on fishing who took up only 10 acres of land. He was not in favour of a very large fishing establishment on the south-east coast where there might be an insufficient market, and he preferred a settlement of 10 or 20 families of fishermen in the neighbourhood of the large towns; but he thought there would be no risk in a large settlement on the land, *i.e.*, success for the settlers themselves, that it would be the greatest possible blessing to the people who go, and that "there is no comparison between anything that the Highlands could offer, and that which they would find in New Zealand." M'Cree, 3854. 3862–4. 3916–8.

In his opinion a free passage is of the utmost importance, and this he thinks the New Zealand Government would grant; but that free land is not so material, as they could pay for it at about 1 *s.* per acre per annum, and the 120 and 150 acres would be the right amount. He did not speak with great confidence as to the repayment of the money, but thought the Government ought to be prepared to make a sacrifice for so special a question, if necessary. 3915. 3871–4.

In reply to Lord Knutsford's circular, the *Cape Government* said they had no land to spare, and that their land laws did not admit of their making free grants to anyone. The Agent General confirmed this, and his evidence was generally opposed to the idea of an agricultural settlement; agricultural labour is not required, the country being full of natives, and he did not think there was much opening for a community of crofters, or people from the west coast of Ireland, and that no assistance of any kind would be given in that direction by the Government. On the other hand, he would not say that if a capitalist, or company, were to take some fertile land close to a market, and employ a number of emigrants until they were self-supporting, that the scheme might not be successful. Herbert, 1077. Mills, 1339. 1362. 1425–6. 1452–4.

Handicraftsmen are chiefly wanted, and Sir C. Mills especially advocated the wool manufacturing industry, saying, if some gentleman with plenty of enterprising capital started a woollen factory at the Cape, it would be an immense thing, and the Germans will do it if the English people do not. This would afford an opening for families from Lancashire and Yorkshire, though apparently not a very large one, as the natives would soon learn, and do much of the work. 1363. 1374. 1380–4. 1414–30.

The Agent General's evidence is, therefore, not encouraging as to any extensive emigration scheme to the Cape. Mr. Arnold White takes a different view, and thinks the Cape especially suited for colonisation, for the following reasons: The colony is sparsely populated, and does not grow her own food. It has an Australian climate, but is only half the distance. Every additional English vote is a good thing for the colony, and in his opinion there is nothing to prevent a very large extension of his scheme in South Africa, so large as to alter the political conditions of the colony; and he does not agree with Sir Charles Mills as to there being no more Crown lands available for a colonisation scheme, and no opening for agricultural labourers. White, 2883. 3045. 3058. 3061.

No witness from *Natal* has given evidence, but the Land and Immigration Board of that colony were generally favourable to the Parliamentary scheme, subject to certain modifications; and had it gone forward they were prepared to put 10,000 *l.* on the Estimates for the purchase of land suitable for the purpose. Herbert, 1082–4.

Canada is the colony which offers the greatest scope for emigration as far as its area is concerned. The present provisional districts in the north-west territories comprise 430,000 square miles, and have a population of one person to every four or five square miles. There is also in the north-west a balance of nearly two million square miles, "and of this one-half or one-third can be considered as likely to be valuable for settlement in some form or another in the near future." In addition to this there is still a vast area of unoccupied land available for settlement in Ontario, and the other eastern provinces. In these latter provinces 100 to 200 acres of land can be had practically free, or on very easy terms, while it is well known that 160 acres of land can be taken up free in Manitoba and the western territories, the only charge being a registration fee of 2 *l.* Tupper, 1643. 1613.

The eastern land is more frequently under timber, while the western land is mostly prairie, and can be cultivated at once, and the soil is rich. Against the Canadian advantages has to be set the cold winter of five months, but there is much evidence that it is not considered too severe to be enjoyable, and not more felt than at home. Mr. Rankin is, however, of opinion that early frosts are a very serious factor to be taken into consideration with reference to the growth of cereals in Manitoba, but not so serious that it is impossible to grow them, and to grow them at a profit. 1614–6. Edwards, 3679. Colmer, 843. 1621–5. Rankin, 1881.

Those who have been concerned in emigration to the various colonies seem well disposed in favour of those particular colonies, and so it is with Canada; thus Mr. M'Neill supports emigration to Canada, and so does Mr. Edwards and Major Ruttledge Fair, while Mr. Rankin, who has had great experience in Canada, supports a scheme of Canadian colonisation, and the Agent General is very anxious to settle up the vacant and fertile lands, and bring in agricultural settlers upon them. As before stated, Canada also offers special advantages for ordinary emigration, both as regards the facilities given by the Government emigration agencies, the opening for labour, and the cheapness of the passage. M'Neill, 635–7; and *passim* Edwards, 3633 and 3679. Fair, 2419. 2429. 1837–8. Tupper, 1556 and 1670.

British Columbia is described as having a charming climate, and Mr. Begg spoke throughout his evidence very favourably both of the climate of this colony, and of its suitability for Scotch settlers, where there would be opportunity both for farming and fishing, and a great opportunity, especially in the Island of Vancouver, for fruit growing; and in his opinion it would be a great advantage, on Imperial grounds, to get large peasant settlements in the province. 1743–4. Begg. 3116. 3092. 3227–35.

Herbert, 1087. In reply to Lord Knutsford's circular the Governor of *Newfoundland* wrote, with the authority of his Ministers, "that they are of opinion that the colony offers an opening for a scheme of colonisation such as the Parliamentary Committee has proposed."

Winter, 3399. Sir James Winter, formerly the Attorney General of the colony, stated that "the Government and Legislature are very anxious indeed to consider and assist as far as they can in any well-devised scheme which will have the effect of introducing an agricultural population into the colony. They would probably be willing to support a good scheme either by a grant of money, or by a guarantee of interest; and the land laws are already framed to encourage agricultural settlement by making free grants of land to almost any extent subject only to certain conditions of settlement.

3357–9.

3329.
3353–5.

3318–3332. There is an almost unlimited area of land awaiting settlement, but Sir James admitted that neither the seasons nor the soil are so favourable to agriculture as other parts of British North America, and that there is in fact no purely farming population at all, though there are parts of the colony where agriculture alone can be made profitable; he is of opinion that a population combining fishing with agriculture, such as the crofters would do best. And he also suggested a settlement along the 300 miles of railroad of which a contract has just been made where the people might find work in building the line, and take up land at the same time.

3352.

3327, 8.
2334, 5.

Herbert, 1087.
1170.
1203, 4.
1231–3. Sir R. Herbert has not been in the colony, but he thinks there is a better practical opening there than almost anywhere else, because it is the nearest to England of any colony, the climate he considers good, and he thinks it well suited for mixed farming by small men, and that such "might more rapidly make comfortable homes there than in some of the western parts of Canada, though they might not get such profitable soil."

As to whether Colonisation should be conducted by the Government or Company.

There has been great diversity of opinion on this subject, the tendency being for representatives of Governments to think that the Imperial Government should be the body in this country for carrying out the scheme, and for the representatives of individual enterprise to support companies.

Bell, 1181–91. Sir Dillon Bell's opinion in favour of concerted action between two Governments has already been given; but provided that the New Zealand Government joins in the selection of the emigrants, he thinks private enterprise in some ways better than the Government carrying out a colonisation scheme, the selections being probably more carefully made, and the chances of repayment greater; and at any rate quite practicable.

1255, 6.

Tupper, 1774–6. Sir Charles Tupper while believing that colonisation affords an attractive field for capitalists, is strongly in favour of Government conducting the work, because then "the emigrant knows that no person is making any money out of him; the moment a company undertake to do the business the suspicion of the emigrant is excited by the idea that his labour is being used to enrich a company, whereas now he feels that every blow he strikes is for himself, and that all his exertions result to his own advantage, all he has to do is to return the money he has had advanced from the Imperial Government at a low rate of interest upon which the whole result of his labours enures to his own advantage." He thinks that acting through the Colonisation Board the Government can get repayment

1788–91. of advances as easily as a company can, and he recommends the development of the present board to make it applicable to colonisation from the whole United Kingdom, and he thinks that there would be no difficulty in getting

Colmer, 967. gentlemen who would give a great deal of time and attention without payment, and that thus the work would be done efficiently and expenses saved.

M'Neill, 635. 641. 651. Mr. M'Neill also supported action by Government somewhat on the same grounds, though he admitted that Government management was generally more expensive than private administration.

Fair, 2774–9. Major Fair also thought that people would trust the Government better, "they know that no company will come forward to carry out anything of that kind unless there is to be a profit made out of them."

Meath, 3302, 3. The Earl of Meath prefers a Government scheme to one worked through companies, though he has no objection to the latter, if his scheme (*see* p. 47) is not found practicable.

Broome, 258–60. On the other hand Sir N. Broome thinks that companies work better than Governments as a rule, though some guarantee of interest by Government would probably be necessary to induce a company to undertake the business.

Mills, 1425. 1452. The only colonisation which Sir C. Mills seemed to think possible was one undertaken in South Africa by a company or capitalist.

Rankin, 1838. Mr. Rankin gives at length his reasons for strongly supporting a company, believing that Government action would result in immense agency expenses; and that as the rate of interest would be fixed, the settlers need have no reason to fear a company.

Grahame, 2009. 2089–97. Mr. Grahame and Mr. Oliver, representing the Commercial Colonisation Company of Manitoba, both strongly supported a company as compared with Government agency. They say that emigrants do not distrust their company, but think they would rather distrust a Government which encouraged the people to go away, that the Government

Oliver, 2150. 2170–2. scheme would necessarily require considerable amount of agency, and would be open to the danger of involving a refusal to repay the advances, and would almost necessarily result in demoralisation of the settlers.

Edwards, 3659–65. Mr. Edwards thinks that the congestion in the Highlands is so serious, that private enterprise will not affect an appreciable change. And Government must come forward and supply the funds. But he thinks it most desirable

3809–12. that there should be some corporation or company as intermediary between the Government and the settlers, as there is a feeling among them that they are not called upon to pay a Government money. And though he admits there is force in the observation that in that case the settlers would probably know that the Government were in reality advancing the money, yet he thinks the chances of recovery would none the less be greatly improved.

M'Cree, 3876–81. Mr. M'Cree thought an intermediary if one could be got would be better, especially when the loan is from the Home Government. Loans from New Zealanders to their own Government are generally honourably met.

Leighton, 3386–8. Sir B. Leighton would on the whole prefer the management to be undertaken by a company, but he thinks a number of methods must be tried in order to find out which is the best.

There has been much less evidence with regard to simple emigration, and therefore as to the best means of carrying it out. But such evidence as there has been seems to point rather to Government assisting private societies, or semi-voluntary boards of emigration, and supplementing the funds raised by them, rather than that Government or the local authorities should directly carry out the emigration.

Fair, 2114–8. Major Fair thinks that nothing should be done through the guardians, which gives the emigrants the taint of paupers; but that Government should make grants to voluntary committees, who should raise part of the funds.

Tuke, 3437. 3533. This view is held by Mr. Tuke, who states that emigrants sent from Ireland by the unions in 1883–84 were recognised as paupers, while those sent by his committee were not, and there is also a danger of guardians or county councillors selecting unsuitable emigrants, or those in whom they have some personal interest.

3431–33. Mr. Tuke is in favour of the corporation of a voluntary committee, though it is possible in Ireland that a board consisting partly of officials, as in Mr. Balfour's scheme, might be advisable. In England he would like to

3446–9. 3563–4. see an emigration council representing the various societies to whom Government might make grants for emigration or a preliminary attempt at colonisation; or failing that, or even in connection with it, he thinks that the Emigrants' Information Office might be extended so as to be the body which should make grants for emigration, either to such a council, or to existing emigration societies. Mr. Lucas, the chief of this Office, did not advocate such an extension.

Hodgkin, 2336–41. An attempt was made to form such a council in 1885, but it failed; and three leading emigration societies, the Self-Help, the East End, and the Emigration Committee of the Charity Organisation Society have quite recently formed an Emigration Council, and "the view of this council, looking to the future, is that if there should be a

2463–7. great need for emigration, the various emigration societies being united in that way would be in a stronger position to obtain funds, and to see to the proper organisation of the emigration," and Mr. Hodgkin urged the desirability of having machinery of this kind in readiness so as to assist emigration in times of distress whether by means of voluntarily

voluntarily subscribed or Government moneys ; and referring to Government assistance either by colonisation or emigration he thought it much better carried out through some company or committee, rather than by direct action of the Government. 381–4

Mr. Tomlinson also thought that State aid to emigration should be given by grants to emigrants through societies, who would do the work more cheaply than Government, because so much of it would be voluntary; and he thought this would not lessen private subscriptions if the Government did not grant the whole cost, but only a certain proportion of it. Tomlinson, 2845–6. 2861.

Sir B. Leighton, though supporting colonisation rather than emigration, is in favour of the State aid being given through some company or association, or individual in whom one could put confidence. Whether such money should be or could be repaid is a question, but he thinks if money is given, the best plan will be to subvent the passage-money, either paying half of it, or putting the fare to Australia on an equality with that to Canada, in fact "running cheap Parliamentary trains across the Pacific or the Atlantic." He does not think the county councils at present a suitable body for carrying out emigration. Leighton, 4000, 1, 3982. 4110. 3978, 9.

It thus appears that those who gave evidence on emigration as distinct from colonisation, are agreed pretty well as to the general lines which any Government assistance should take.

As to there being no time to lose if Colonisation is intended.

Mr. Giffen gave a number of figures showing the rapidity with which the uninhabited places of the earth are being filled up. He thinks that "in about 20 or 25 years from 1880 the whole of the United States will be occupied agriculturally, to the same extent as the older states have been occupied, *i.e.*, about 25 to the square mile." And he thinks the opportunity for any greater emigration than we have had is quickly passing away ; and "if you do contemplate any great effort in addition to what is already being done, you must act very quickly, as you have only a very few years in which to do it." And he thinks the tendency in the next 25 years will be for the increase of the population in the far west of Canada to come from the overflow from the United States and elsewhere. Giffen, 599–613. 604. 612, 3. 649–55.

Mr. Begg spoke of the desirability of early settlement in British Columbia, because already the people from the United States are coming in, settling on the land, and taking advantage of lumbering and other trades, "but if we can get our own people there of course it will keep them out." Begg, 3257, 8.

Similar views were expressed by Major Ruttledge Fair and by Mr. Edwards of the North-west of Canada, where Scandinavians and Icelanders are coming in in great numbers, and taking up the best lands, and by Mr. M'Cree of New Zealand. He says, "The chances for success in the colonies are every day becoming fewer and fewer ; they are not to-day a fourth part of what they were five years ago. The colonies will be occupied by others." Ruttledge Fair, 2439. Edwards, 3746–9. M'Cree, 3897.

Comparison between Emigration and Migration,—and Evidence as to the best methods for relieving the Congested Districts of Ireland and Scotland.

Some evidence was given on this subject by the earlier witnesses. But it was only when the evidence on the main subject of Emigration and Colonisation was reaching its close, that the question of migration both in Scotland and Ireland, its difficulties and its possibilities, as well as other methods of relieving congestion, came to be the subject of very lengthy evidence before the Committee, so much so as to assume the proportions of a distinct matter for inquiry. The evidence up to this point has been collected under various sub-divisions ; but as fresh evidence of the subject of migration was constantly appearing, the following is rather a chronological summary of that evidence, in two parts, Ireland and Scotland, than an attempt to bring together the evidence of all the witnesses on each particular branch of the inquiry.

I. As regards Ireland :

Major Fair gave evidence at great length as to migration, referring to the attempt made by Mr. Parnell's company. He thinks there is only a small portion of the country available ; that the people in the neighbourhood would not like others to come in and take the lands ; that the people from the congested districts themselves would not like migration, and would prefer going to America. Another objection is the enormous expense, which would be far exceeding that of emigration and even of colonisation. It would be necessary to put the settler on 10 or 12 acres of land, which would have to be paid for dearly. The best grass land would rent at 4 *l.* an acre, and the cost of 10 acres of this land at 20 years' purchase would be practically prohibitive. In addition, there is the cost of houses and stocking the land, and it would be necessary to teach the people from the west how to make use of it. But he says there has been so much talk about it, he would like to see another experiment tried, although a free grant of 50,000 *l.* for the expenses of migration has been lying idle for the last five years, no one having been found to use it. Fair, 2184–7. 2331–64.

Sir Baldwyn Leighton, a director of the company which was "formed to put into operation the provisions of Part II. of the Tramways Act, 1883," under which this 50,000 *l.* was set aside for migration purposes, gave evidence. Leighton, 4003.

Mr. Parnell was chairman of the company, and several Nationalists were on the board. It was started with the entire approval of the Roman Catholic bishops of the congested districts, one of them taking a considerable interest in the shares ; was backed by a loan of 40,000 *l.* of public money, and was undertaken at much sacrifice in a public-spirited manner. The experiment was therefore made under the most favourable auspices ; it had every possible chance of succeeding if the thing could be done, and yet it was a complete failure. For when it was known among the smaller tenants of the estate that was purchased in Galway that it was intended to settle tenants from the west on the large grazing farms that has been vacated, the feeling among them was so strong and bitter against this, that the idea of migration was abandoned, and there was no difference of opinion on the board on to the necessity of this course. 3942–5. 4022. 4046. 3951. 3947–53. 4055.

There would have been other difficulties to meet, such as the selection or the people ; the moving them and providing them with houses, &c. ; but these were never reached ; and although other districts were mentioned, the local opposition was considered by Mr. Parnell, Colonel Nolan, the manager, and others, as an absolute obstacle to the scheme, and in Sir B. Leighton's opinion, a final proof of the impossibility of doing anything by migration on a purely agricultural basis. 4022. 4121–8. 4040, 1. 4057, 8.

He thinks the only possible migration scheme would be that if a fishing, flax, coal, or other industry grew up near mountain land, it might be possible to move persons who would support themselves on that industry, and also settle on that land. No evidence was given of such conditions existing anywhere in Ireland at present. 3951. 4021.

Mr. Tuke agreed with Major Fair's evidence on migration, spoke of the much greater expense it would entail even than colonisation, and that the benefits to the people would all be on the side of the latter after two or three years. Tuke, 3492–6.

Mr. Parnell gave evidence to show that Sir B. Leighton and Major Ruttledge Fair were mistaken in the idea that the company of which he was president failed to carry out migration because of the opposition of the people in the locality. Mr. Parnell states that when the company applied to the Land Commissioners for a loan, under the 13th section of the Tramways Act, 1883, the loan was asked "for the purpose of re-selling to the tenants the lands comprised in that estate, their respective holdings," and that the additional purpose, namely, "for the purpose of assisting the removal thereto of persons and families," was omitted, either inadvertently or otherwise, and that the effect of this omission was to prevent the company obtaining any portion of the migration free grant of 50,000 *l.* ; and, as they could, therefore, only migrate at their own expense, the idea of migration was altogether abandoned, and apparently was not even contemplated with regard to this particular estate. Parnell, 5468, 9. 5497. 5491.

5493. There is no mention of any application having been made to the Treasury for any portion of the 50,000 *l.*; it was merely the opinion of the company's own legal adviser that it could not be obtained.

Note.—This legal point does not seem clear; either the terms of their loan were such as to prevent the company using the estate for any other purpose than re-selling to the tenants comprised in that estate their respective holdings, which they did not do, for the holdings were enlarged; or if, as Mr. Parnell says, the company could have migrated persons at their own expense, they could, it is submitted, have applied for a portion of the 50,000 *l.*, which is a grant under the 12th section, and quite independent of any loan under the 13th. Moreover, it is hardly conceivable that had this difficulty been a valid one, the Land Commissioners would not have allowed the inadvertent application to be rectified. It would, at any rate, be strange if such a technicality were allowed to baulk the aims, both of the Legislature and of this company, in a genuine scheme of migration.

5469. Mr. Parnell attributes Sir B. Leighton's wrong impression as to local opposition to the fact that some of the small tenants on the estate did object to a proposal which was made to re-let a grass farm of about 100 acres to an "outsider," a grazier; and, though he says in one place that if the existing tenants had their holdings enlarged
5539. first, there would be no feeling against other people coming in, he also says that if the company "had attempted
5469. to migrate other small tenants from the outside in a similar position to those already on the estate, those on the estate would have objected, and justly objected, to it." Mr. Parnell attributes the failure of the company to two causes, first, the difficulty of obtaining suitable land, by agreement, from the landowners; and, secondly, a strong letter from Mr. Davitt condemning the Board for the high price they had given for the land, which had the effect of stopping subscriptions to the shares of the company.

5540. And Mr. Parnell thinks that a successful experiment could have been made but for this letter of Mr. Davitt's.
5630. On the general question of the congested districts Mr. Parnell does not think it so serious as is often supposed,
5460. or as it was in 1879, and he thinks it should be met, in the first instance, rather by developing the resources of the
5498-5505. country, fishing, mining, &c., than by any direct means. After these have been tried, any money spent by the
5463, 5632. Government for relieving congestion should be devoted to migration rather than emigration. And even after his
5479, 80. experiment Mr. Parnell thinks that migration might well be tried, and would be a success, though it could not be
5470, 1. carried on without loss. There is plenty of suitable land for the purpose, which should be obtained either by
5515. compulsory purchase or compulsory leasing, a principle which has been successful under the Labourers Acts.
5560-7. Probably 20 acres, at 1 *l.* an acre rent, would be about the right size for a holding, and each holding would therefore cost 400 *l.*, at, say, 20 years' purchase.

A great portion of this expense would be got back, in that the tenant would pay 20 *l.* rent for such a holding; while Mr. Parnell is very doubtful that the Imperial Government would get back anything that was lent for colonisation.

5481. He is not altogether opposed to emigration, though he strongly objects to old people going out. Young
5534. people, he says, generally do well; and that this present outlet for the young people does prevent further congestion. But he wants to keep the people in the country, as it is of great importance for the development of the industries of Ireland, especially in that it means cheap labour; and in particular he is opposed to State-aided emigration, which opinion is largely held throughout Ireland.

Dillon, 6716-22. Mr. V. B. Dillon, who acted as honorary solicitor to Mr. Parnell's Migration Company, gave more detailed evidence as to the affairs of the Company, and the particulars of the estate they bought, &c. £. 5,220 was paid on capital account on the 11,788 £. 1 shares taken up; of these, Bishop Logue took 1,300, and in places where the need
6849-51. for migration was felt, a considerable number of shares were taken up in small quantities, largely at the instance of the priests; but there was practically no subscription from the investing public, which would seem to indicate a want of confidence on their part in the success of the scheme.

There were on the estate several congested portions, but also a large quantity of grass land, which would have
6783-4. been sufficient to relieve this congestion (and this was, in fact, done), and also to afford opportunity for migration
6729-30. from other congested districts. The Company was formed with a view of trying migration; yet, though congestion
6769. was relieved on the estate, migration was not attempted; the small tenants took up grass land, but still lived in their own houses.

6877-85. It was because there was no actual migration that the Company thought they could not apply for any part of the 50,000 *l.* granted, and not on account of a technical difficulty as stated by Mr. Parnell. The witness stated that the
Alexander, 7218. reason why migration was not tried was that, before they got to that point, they were stopped by the Treasury, and
Dillon, 6763-7. a receiver appointed, the instalments being in arrear; but according to Mr. Alexander, the Company are still in a position to deal with the estate to the best advantage to themselves.

He entirely differs from Sir B. Leighton's statement that migration was prevented because of opposition among the existing tenants; as there was no talk of bringing in people, there could have been no such feeling. Possibly the fact that some tenants took illegal possession of land from which a grazing tenant was going to be turned, may
6778-80. have given rise to this erroneous impression. But Mr. Dillon thinks that the original tenants would have been justified in resisting the introduction of strangers, so long as they had not sufficient land themselves; and a sufficient holding he estimates at from 20 to 30 acres.

6786. Mr. Dillon frequently visited the estate, and attended the directors' meetings, and thus appears to have had a better opportunity of knowing the facts than Sir B. Leighton, who did not visit the estate or attend the meetings in Ireland. But that the latter was at the time under the impression that migration was impossible, because of the feeling in the district was confirmed by Mr. Rathbone who gave evidence as to an interview between Sir B. Leighton and himself at the time, stating how his own remark on the difficulty they were placed in was that "you cannot bring people from a distance to be shot." But whatever may be the explanation of this remarkable difference of opinion, the practical outcome may be thus stated: "If you take an estate, upon which there is a certain amount of congested land, it is hopeless to adopt any scheme of migration until you have at all events satisfied the natural wants of the original tenants on the estate."

The two reasons given by Mr. Dillon for the failure of the Company differ from those given by Mr. Parnell.

Dillon, 6758. Mr. Dillon's reasons are (1) the refusal of the Treasury to yield to their demands and reduce the rate of
6774-5. 6811. interest from 3½ to, say, 3⅛ per cent., which would have enabled the instalments to be paid, and have avoided the need for a receiver; (2) the sudden fall in the value of land just after the purchase had been completed, which was a great blow to the Company.

6903-24 Mr. Dillon is perfectly satisfied that it would be quite possible to carry out a scheme of migration, but he does not say that a public company would be the best way of doing it. He thinks there is abundance of suitable land for the purpose in the county of Galway; and that any scheme must be accompanied with a compulsory power of taking land. Government should compel the people to sell their land for this purpose at a price to be fixed by the Land Commission, just as they compel them to accept fixed rents. This would make migration a much more serious and complex matter than emigration, to which Mr. Dillon is strongly opposed, thinking that already too many people are leaving the country.

Alexander, 7214-25. Mr. Alexander, the solicitor to the Irish Land Commission, strongly dissented from Mr. Dillon's view that the scheme failed owing to the Treasury not reducing the rate of interest. The Land Commissioners appointed a receiver, because they had reason to suppose that the rents were not collected sufficiently quickly, and when collected were not applied to the payment of instalments. Only the first two instalments for the repayment of the loan were made and four more had accrued before the Commissioners appointed a receiver in November 1887. Mr. Alexander observed that the Company were still in existence, and were in a position to sell the residue of the estate, or deal with it to the best advantage for themselves.

7160-85. The witness gave further interesting evidence as to the estate, such as that the average acreage of the congested portion had been seven to ten acres per holding: and that as the whole estate would give only an average holding of 30 acres to each of the 70 tenants, he thought there was only sufficient land for those on the estate. That a general migration of the existing tenants within the estate would have been advantageous to the smaller tenants, and if well managed

managed might possibly have been successful financially, though of course upon the footing that the tenants should build their own houses. However, no such migration took place, the tenants remaining in their own houses. Mr. Alexander's individual opinion is against the feasibility of a migration scheme, and he considers that the splitting up of large grazing farms would decrease the rental.

In this case no definite rent for the increased holdings was fixed by the agents of the Company, and thus it is impossible to say how the purchase-money of the holdings sold to the tenants was calculated. In 22 cases the purchase of holdings, averaging 20 acres, has been completed, and there is not a penny of arrears. But there are considerable arrears in the 31 cases, where there is an agreement to purchase, because the agent of the Company failed to arrange as to the payment of rent or interest in the interval before completion, and trouble, litigation, and arrears have thus been occasioned. 7193–5. 7226–34.

Mr. H. G. Robinson, an Inspector of the Irish Local Government Board, specially acquainted with the poorer districts of the west, Mayo and Galway, also gave evidence. Robinson, 5666–69. 5809–11.

He gave figures with regard to the emigration from Ireland since 1881, and also emigration from Connaught and Galway. The numbers emigrated with Government assistance were only 67,000, out of a total emigration of 3,276,900. 5674–80.

Relief has to be given in some form in bad years, at the cost of the Government, and it is better to avoid this by first spending the money on emigration. He thinks that the organisation which conducted emigration "should not be connected with the Local Government Board, or the board of guardians, in any way." 5719. 5788, 9.

He thinks that the idea of emigration has ceased to be unpopular, and has become familiar and attractive to the younger people, and the feeling against it, even amongst the old, gets less and less every year. They now, almost all, have friends in America, and they prefer those districts, whether it be America or Australia, where they have friends. His views on the feelings of the people are drawn from personal observation. The priests, he knows, are generally opposed to it, and also by many local shopkeepers and others. 5769–79. 5801. 5901–6.

The witness would be glad to see anything else tried which would be likely to be an effectual remedy. He thinks more might be done to help the fishing, though this would only affect some localities, and would not touch many of the congested districts; and that it would be a work of time, and he does not know what industries could successfully be carried out. 5872. 5792–5. 5876–82.

As to migration, he would certainly like to see an experiment tried; but he does not think it would be practicable to move the people to the rich lands of Meath, for they would not like it themselves as much as going on to lands in their own districts, and there would be so much opposition in the neighbourhood to which the people went as to make it impossible. The only possible plan would be, to acquire mountain land in the neighbourhood of the congested districts, where, by reclaiming land, making roads, and building houses, the people might be settled, but at great expense. He estimates the cost of doing this at 200 *l.* to 300 *l.* per family, which is apparently exclusive of the cost of the land. 5894. 5908. 5692, 3. 5740–44.

Sir J. Colomb made special inquiries of the emigrants assisted in 1884 by the Kenmare Union, whether they would not rather migrate than emigrate over the sea. In no single instance did he get any favourable replies. One and all said if they were going to move at all "it would not be to another part of Ireland they would go, but to a new country." Appendix, No. 14. Colomb.

II. As regards Scotland:

In Mr. M'Neill's opinion, the amount of land in Scotland available for migration is very small; that it is doubtful whether it would succeed, and that it would be a bad thing to drive away the larger farmers. At the same time, he thinks it would satisfy the people, and he would like to see it tried on a small scale. M'Neill, 606–11. 626–31.

Mr. M'Cree would much prefer to see the people from the congested districts settled in other parts of Scotland were it practicable, but he thinks there is very little land available; that the Southerners would not like to see the Highlanders coming down to take their farms and gardens from them; and though to a certain extent there is foundation for the feeling against deer forests, he thinks the number and extent of them which can be cultivated has been very greatly exaggerated. But for the sake of the peace of the country, he would like to see migration tried, believing that so strong a feeling has been raised in favour of it, that the Highland question will not be settled without. But for the sake of the people themselves he would a thousand times prefer emigration, believing it "incomparably better for the race on physical and moral grounds, and on every ground." M'Cree, 3891–6. 3917–24.

Mr. Murdoch, formerly an editor of the "Highlander," and a supervisor of Excise, is a very strong supporter of migration. He speaks with much experience of the Highlands, portions of which are in his opinion very congested, and this congestion leads to a deterioration of the people, and a great want of energy. Something therefore must be done, and it can easily be done by moving the people to the better lands. There is abundance of this land now occupied by large agricultural farms, or sheep farms, or deer forests. Thus the east side of Harris is full of people, while on the west side there is plenty of good land in few hands, or even in the landlords' hands, and so on the mainland. Even in the Lewis, which he pointed out was an exceptional district, and more congested than most of the Highlands, he considers that migration would be possible, differing, in this respect, from Mr. M'Neil's opinion; though he admitted that, taking the rental of the whole island, this would give for each family a croft of only about 3 *l.* rental. Murdoch, 4129–39. 4168. 4177, 8. 4141. 4201. 4150. 4226. 4233. 4279–86. 4554–63.

And if there is sufficient land in Scotland to support the crofter on small holdings, he thinks they ought to have it by right, and that an Act of Parliament should be passed enabling this, thus carrying out more fully a principle already adopted in the Crofter Act, and he would apply this to the whole United Kingdom. 4262. 4304.

In his opinion the congestion is due not merely to the natural increase of population, but to the people having, in many instances, been actually removed from where they were living in comfort to other parts where they have become crowded, in order to make room for large farms, and, in some cases, deer forests; though the first process has usually been to make sheep farms; and, subsequently, many of these farms have been turned into deer forests.

He gave instances of these clearances. 4145, 6. 4157–60. 4165.

Harris, about 60 years ago; Lewis, since 1841; and the Park district has been turned into a deer forest since 1883. In Tiree 12 persons have a third of the island, the crofters having been turned away to convert it into farms. And there is also congestion, due to the same cause, on the mainland; *e. g.*, Sutherlandshire (4201–5). 4182–4. 4189–92.

The result of all this is that there is an unwillingness on the part of the people to emigrate. They do not see why they should go 3,000 miles away, when there is plenty of good land round about them to which they could spread; and he differs from the opinion of the Commissioners of 1888, as to there being a desire on the part of the Lewis people to emigrate. The more well-to-do they are, the more they will be likely to emigrate, because they have more energy. There might be individuals ready to go, or there might be pressure, such as the dissatisfaction caused by the abandoned attempts made in 1875–76, in some of the islands, to re-allot the properties; but the general opinion of the people is highly unfavourable to emigration. Though he has visited America and Canada, he does not even admit the success of emigrants, except in so far as they have plenty to eat. 4210–1. 4228–30. 4247–53. 4212. 4296.

And, in his opinion, migration would not be half so expensive as emigration. "It would not be so expensive to send them half-a-dozen miles by land, as 100 by land and 3,000 by sea." He would not purchase the land, but compel the proprietors to accept a rent from the crofters instead of from the big farmers; the rent to be fixed by the Commission. And this would be better than getting land in Canada for nothing. He thinks "the winter in Manitoba is too long and too severe, and the summer too hot and too short; and so long as we have the oceans of land that we have in these countries, crying for more men to come and cultivate them, it seems to me that it would be a wanton thing to desire to send these people away." He elsewhere summarises his objections to emigration, that it takes away the prime of the people, and that "we have the best climate for people to grow in; our land is practically more productive than 4260, 1. 4427–33. 4301. 4434. 4449.

than the land of America or Canada," as shown by the average produce per acre. But he excluded afterwards from this evidence New Zealand, Tasmania, British Columbia, and South Africa, of which he knows nothing; though he would still object to emigration to New Zealand, for the reason that "we ought to nourish our best people in our own country."

4519–31. 4523.

Mr. Murdoch further gave several instances of where the people had been moved, though even to comparatively poor patches of land, with great success; such as the families moved by Lady Scott in 1883. So M'Leod, of Skye, when he divided a farm into plots of 8*l.* 15*s.* each, they were taken by men from the congested districts. Colonel Balfour, in Orkney, some years ago, began with 600 acres of arable land, and ended with 6,000; his plan being to let industrious men, whom he saw, take five or ten acres, and would go security to the bank for an advance to them. He did not lose by this; and it soon became impressed over the estate that character was capital.

4147, 8. 4263, 4.

He urges, therefore, that the same sort of thing should be done compulsorily by the State. "The fact of the matter is, that if we address ourselves to this burning question with sufficient knowledge, and sufficient patience, the thing is not so difficult of solution after all." "There might be difficulties, but not insuperable difficulties, where there is a will. Why should not the land that is available for deer be available for people and sheep?" And he says "this very inquiry goes to show the crofters that they have reason to think that if Government will go to the expense of sending them to Manitoba, they will go more surely to the expense of assisting them to settle in good places nearer home."

4291. 4320. 4614.

Mr. Mackenzie, a member of the Inverness-shire County Council, and editor and publisher of the "Scottish Highlander," gave very lengthy evidence, all tending in the same direction, the chief point of difference being that, in his opinion, the Lews is insufficient, even if divided up, properly to maintain its existing population; and that is the only part of the Highlands where there is any real congestion; more than the land can maintain.

Mackenzie, 4667–9. 5126.

He gave figures, showing the great decrease of the rural population of Highland counties between 1831 and 1881; *e. g.*, Perthshire, 78,000 to 57,000; Inverness-shire, 86,000 to 67,000, &c. This decrease he attributes, in the main, to evictions and clearances, the people being driven off indirectly as well as directly, to make room for large farms, more often sheep farms, and occasionally deer forests; but these have usually been made from sheep farms, instead of by clearances of people, in the first instance. Several instances of such clearances are given; as in north-west Skye, Far in Sutherland, Lochiel, and Glengarry. From the latter place 600 able-bodied men followed their chief to Culloden, and there are probably not 60 there now. But Mr. Malcolm contradicted this statement, saying there is now a population of 700.

4671–7. 4704. 4693. 4698–4703. Malcolm, 6407–8.

Thus, in his opinion, evictions are the chief cause of the lessened rural population; and he thinks economic causes (lower price for corn, and higher wages in the towns, &c.), which have led to a decrease of the rural population of the United Kingdom, are secondary only in the Highlands.

Mackenzie, 4766. 4772–9. 5245–59.

His proposed remedy is, therefore, to reverse this state of things, and to enable the crofters to go back upon the land, with larger holdings. "They are congested on points in the immediate neighbourhood of the places from which they were evicted, so that the land is, generally speaking, available for putting the people back to the land from which they were driven."

4717.

His idea is to put the crofter in a position in which he may do as well for himself as the ordinary labourer in the towns; and, for this, Mr. Mackenzie proposes that he should have six or eight acres of arable land, with 50, 60, or 100 acres of pasture; and the rent that he should pay for this would be very small; perhaps 3*l.* to 4*l.*; but this is not very clearly stated.

4799. 5260–74.

He thinks that many landowners would be glad to divide their land in this way; but the difficulty is, what is to be done with the large steadings or buildings on the large farms; and also as to where the money for starting these small farms is to be found.

4951. 4807. 4861–4.

As to the first, the witness can only say that he would like to see a gradation of holdings, from small to large; and the steadings are not so extensive on the sheep farms; and, as to the second, he thinks that the Government ought to lend the money; that probably 120*l.* to 150*l.* would be enough, and that it ought only to be lent as an equivalent amount of labour is put upon the holding by the crofter. The machinery to conduct all this should be a non-political board.

4950. 5105. 5116. 4870.

He says that sheep farms are not paying, and must be given up; and, unless people are placed on these lands, deer will be, and that will lead to rebellion.

4862. 4706. 5091–3. 4788, 9.

If owners do not voluntarily allow the people on to their lands, there must be an interference with proprietary rights, as in the case of railways. As long as there is this room at home, he would not support any Government-assisted emigration; let the money be used in settling people on Scotch land first.

4936–8. 4895–4903.

The witness also threw discredit on the evidence given by Messrs. Edwards and Macrae, stating that they are not in any sense representatives of popular opinion in the Highlands, and that the former is interested in Canadian land companies. The witness was pleased to claim for himself the designation of "agitator," but says that most other agitators are not paid for what they say and do, as Mr. Edwards is. The "agitators" represent the feelings of the people; but their speaking, no doubt, gives strength to these feelings. He attributes the number of applications for colonisation to the bait of the 120*l.* that was offered.

4910–4. 5187–62. 4928.

On cross-examination the witness endeavoured, at considerable length, to show that the people were worse off now than before the clearances, and that the Sutherland clearances were not, as some suggested, undertaken with the view of the benefit of the people.

4979–5010.

Mr. Malcolm, also a member of the Inverness County Council, gave evidence largely with the view of rebutting the evidence of Mr. Mackenzie. Mr. Malcolm is secretary of the Highland Property Association for the protection and management of Deer Forests. While on the one hand that position must necessarily give him an intimate and practical knowledge of the subject under discussion, it is also to be expected that, like Mr. Mackenzie, his statement of the case would be somewhat that of a partisan.

Malcolm, 6178.

With regard to population, Mr. Malcolm says it has not decreased in the Highlands in the present century; and that in the sheep farming and deer forest counties the decrease has only been 7 per cent. in the last 50 years. He says this decrease is due to the natural migration of young people from districts where employment is scarce to the great centres of industry; and that there has been a decrease of the rural population even more marked in the southern counties. It is a mistake to suppose that congestion of population is new. There is ample evidence from official and other reports "of a redundant and very miserable population for at least a century and a-half back."

6251.

With regard to the whole question of migration and deer forests, the following appear to be the main points brought out in Mr. Malcolm's evidence:—

6178. 6308. 6369. 6384.

1. That though there may be some desire among the crofters to increase their holdings, yet there is no extensive demand among them for more land; and it is certain they would not wish to have it away from their present habitations. If they moved to a distance they would be as much strangers as in Canada or New Zealand. That there have been 10,000 applications to the Crofter Commission to have rents revised, and only 96 applications for enlargement of holdings goes to show this. The restrictions in the way of obtaining enlargement of holdings are not so great as Mr. Mackenzie states. All deer forests and sheep farms leased since the Act of 1886 are available, and the Act extends to land in an adjoining parish if on the same estate.

6309. 6426–7.

6178. 6185.

2. That only a small amount of land would in any case be available for migration. From calculations recently made it appears that the amount of arable or cultivable land within the deer forests is only 1¼ acres for every 1,000 acres of hill land; in other words, that out of a total area of 2,123,709 acres of deer forest, the extent of arable land embraced therein is only 3,184 acres, about enough, according to Mr. Mackenzie's calculations, to provide for 398 crofts. As Mr. Redmond remarked, "If this can be proved beyond a doubt, it puts the question of interference with deer forests out of the question altogether."

6492.

Mr.

Mr. Malcolm, however, cannot supply the number of acres of cultivable land in the sheep farms, though he believes the proportion would be rather larger, but not a great deal more than in the deer forests; and, taking both together, he does not believe there could possibly be room for more than a small number of crofters. 6201-3.

3. That it would be financially most undesirable. Mr. Malcolm estimates the cost of migrating a crofter without the purchase of land at 600 *l.* per family, without taking into account the cost of new roads, &c. If it is objected that this is excessive, he says there would be no good trying to help the people unless you start them well, with better houses and more stock in their new houses. But his estimate provides for far more than a settler would get in Canada, and therefore the contrast between the expense of the two methods is not so great as at first appears. But the settler would own his land in Canada and not in Scotland. As further financial objections to migration and interference with deer forests, Mr. Malcolm mentions (a) that the rate-paying public would suffer, because of the enormous contributions now given to the rates by sporting properties, especially since the Sporting Lands Rating Act, 1886, varying in a number of parishes from 30 to 60 per cent.; (b) that if the small amount of low-lying lands now attached to sheep farms and deer forests are taken away to form crofts with, the sheep and deer would not be able to live through the winter, and thus the large remaining proportion of the farms and forests would be rendered almost valueless to the loss both of the landlords and the people generally to whom sheep farms, deer forests and shootings are sources of prosperity. They are especially a source of prosperity to the crofters, who are so well paid in connection with labour on deer forests, and insomuch that when crofters live in comfort, it is generally due to the fact that they can obtain employment on the estates where the crofts are situated. 6185. 6263-73. 6498-6500. 6439-44 and Appendix. 6188. 6197. 6446.

"For these reasons," says Mr. Malcolm, "I am quite convinced that systematic and extensive migration of crofters is impracticable, and that even if it were possible it is extremely undesirable. * * * If attempted, I have no doubt that it will end in disastrous failure." 6188.

Mr. Malcolm supports State-aided emigration, but does not speak with practical experience on this subject, except in so far as he has observed an improvement amongst those who remain behind. He does not think there is any divergence of opinion as to the desirability of developing the fisheries by means both of harbours for the safety of the fishing fleets, and of better railway communication. 6437-8.

In his evidence Mr. Mackenzie brought charges against the management of the Strathconan Estate belonging to Mr. Arthur Balfour, M.P.

Mr. Gerald Balfour, a Member of the Committee, gave evidence in reply to these charges, and stated that in 1839, when his grandfather purchased the property, there was a population of 568, which fell to 508 by 1849, and as far as he can ascertain no evictions took place during this period. But Mr. Mackenzie had stated that from 1840 to 1848 Strathconan was cleared of over 500 souls, a number which elsewhere he stated might have been multiplied by three. He also speaks of a church having been built to accommodate 1,500 persons, whereas it only seats about 300; and instead of the property being all now a deer forest as he states, only about a third is under deer; and there are not more than 550 acres arable out of the 70,000 acres of the estate. And his statement as to the comfort of the people before Mr. Balfour's time is disproved by a letter and statement of the minister of the parish made at that time. Balfour, 6553. Mackenzie, 4712-4. 5811-2. 5028. Balfour, 6558-9. 6564-6.

Some removals, however, took place in Mr. Balfour's time, viz., after the potato famine, when 27 families, or 123 were removed, with the view of re-arranging the estate, and giving a better chance of livelihood to those that remained. Two years' notice of the removal was given, and the men were employed all the time, so that it might come with as little hardship as possible. Those that went mostly did well, and it has certainly conferred a great benefit on those who remained. Thus the only clearance, if so it can be called, was "not in order to make way for deer or sheep, but to benefit the people themselves, and enable them to live lives of decent comfort." This was in 1850, and the population was by this means reduced to 385. It is noteworthy that it has since fallen to 233, though there have been no evictions or removals, thus showing how natural economic causes have brought about a diminution of the rural population in recent years. 6582-5.

Mr. Balfour's chief inferences from his evidence are, that Mr. Mackenzie's other evidence must be received with caution, considering his inaccuracies as to Strathconan, that the amount of land available for migration in the Highlands has been very greatly exaggerated, that judging from the Strathconan Estate, he would be inclined to agree with Mr. Malcolm that there are only about 1½ acres of arable land per 1,000 acres under deer forest, and, thirdly, that it is an error to regard the crofters as small farmers; they are really in most places but labourers with allotments; and he thinks their present position as wage-receivers is a far more happy and secure one than if you were to make them solely dependent on their crofts by driving away all the landlords, for then when bad years came, as they must do, the crofters would practically have to rely on charity for their support. 6667.

Mr. Balfour's own view is that the difficulties of the congested districts of Scotland which undoubtedly exist, would best be met by encouraging fisheries, where they can be encouraged, and by enabling the people to emigrate, and that both of these might go on at the same time. 6663-4.

Mr. Sutherland, M.P., says, that "the people of the Highlands are not opposed to emigration *per se*, but they object to it because they think there is no necessity for it at the present time, but that in view of the amount of land which is at the present time devoted to the rearing of wild animals, the area of which is being daily increased, they think it would be unprofitable and a waste of time to discuss it." Sutherland, 6946.

Mr. Sutherland's evidence was therefore chiefly aimed at showing that there was room for the people to live comfortably in Scotland, and that migration was possible. He instanced the parish of Farr in Sutherlandshire, where, on the authority of the Crofter Commission, the rent of land proper is 6,500 *l.*, of which seven tenants pay 5,800 *l.*, leaving for the population of 293 crofters an area rented at 700 *l.*; but according to Mr. Malcolm, Farr was an extreme sample to show how far things could be carried, and not at all a representative parish. Mr. Sutherland stated that, according to the Census and the Ordnance Survey, there was now in the following counties the following acreage per family, urban and rural, viz.: Lewis, 105 acres per family; Argyle, 135; Inverness, 145; Ross and Cromartie, 120; Sutherland, 265, and Caithness, 131; thus apparently showing that there was abundance of room for the people if the land was properly sub-divided. But Mr. Sutherland admitted that these calculations included land which under ordinary circumstances ought to be devoted to deer forests, and he was unable to give any idea as to what proportion of the area was cultivable. 6954. Malcolm, 6323-30. Sutherland, 6965.

He stated that there has never been a survey, and it is difficult to estimate it; and that those who speak of the small area of arable land, forget to reckon a considerable area that once was arable where the traces of its once being so have now disappeared, and the land is covered with bracken and heather. 6970-1. 7002-5. 7141-52.

Mr. Sutherland spoke in strong terms of results of the Government scheme of emigration from Scotland, and considers that the report thereon of the Colonisation Board "is the most ghastly confession of failure that he has ever read," and he judges from it that such a system of State-assisted colonisation is impracticable. In his opinion the cost of transferring people to land in Scotland would be considerably less expensive, and he has not the slightest doubt that it would be possible to place congested crofters upon land in the Highlands, upon which they could profitably live. At the same time Mr. Sutherland could not give any figures bearing out this statement, but merely instances a case where a man has been lent 150 *l.*, and has settled on a moor and succeeded. The importance of his evidence was, therefore, rather as showing the feeling on this subject held by many Highlanders than as giving definite information as to the practicability of migration. 6978. 6982-8. 7024-7031.

The evidence with regard to Scotland was fittingly brought to a close by Mr. Munro Ferguson, a Member of the Committee, who speaks, as a large proprietor, with the landlords' knowledge of the question, as an M.P. with the sympathies of the popular side of the question; who speaks also with experience and knowledge both of Scotland and of Canada, and the main conclusions as to fact which he comes to might almost be taken as a summary of the very conflicting evidence that had previously been given.

On the one hand he testifies to the advantages which the crofter enjoys in the North West Territories as compared with his position in the North West Highlands, and would himself emigrate if so circumstanced, and says, "I do Ferguson, 7270.

not see how it can be seriously disputed that any ordinary crofter has not vastly better opportunities in America than upon the West Coast of Scotland, and I regret that this fact is not better appreciated at home among the crofter class."

On the other hand he does not believe that the whole area in Scotland that is available for small holdings is very large. "We have no evidence beyond general statements upon this point; we have no accurate evidence to show the total number of small holdings which we might reasonably expect to create through the operation of State assistance or agrarian law." In any case he thinks that the creation of small holdings, on any system likely to
Ferguson, 7381. be of permanent good to the community, must be a slow process, and also a very expensive one; and such an extension would never obviate the necessity of emigration as a relief to the increase of population.

7332. But the popular sentiment is at present against any system of emigration, and is in favour of such changes at
7270. home as would tend to increase the population upon the soil.

To this point Mr. Ferguson's evidence may be considered as a concise statement of the facts of the problem.

His own views as to the course to be adopted are that the balance of argument is against the continuation of the policy of aiding emigration at the present time. The popular sentiment for migration rather than emigration,
7333. should be met and not disregarded; and he thinks that "you will not have any proper spirit upon the subject of emigration until the people are satisfied that the question of domestic reform has been fully considered."

And, further, though he quite admits the benefit of emigration to the individual, Mr. Ferguson doubts whether you get any adequate return for the public moneys expended in the way of benefit to the bulk of the community. He is of opinion that unless there is a general rise in the standard of comfort, and a further change in the habits
7362–81. and customs of the people, the voids left by emigration would be soon filled up again. But he did not clearly explain why such voids would not just as rapidly be filled up if they were caused by migration rather than by emigration.

Mr. Ferguson does not, however, advocate any large system of State-aided migration, if only for the reason that he does not believe any large number of new holdings could be created under any migration scheme. But he thinks it might be adopted to a limited extent with a few very carefully selected men. And he is, on the whole, in favour of purchasing compulsorily, at a fair valuation from the landlords, rather than compelling them to let their lands in small holdings. The body to carry out this should be the Crofter Commission: and that by a slight modification of
7383–4. the Crofter Act, all that is desired could be effected. As to the cost of this process, Mr. Ferguson in one place speaks of more than 300 *l.*, remarking that capital cannot be profitably embarked in the manufacture of small
7412. holdings; but elsewhere he says he thinks migration could be carried out at the same cost as is proposed for colonisation, viz., 180 *l.*

But it is not to migration that Mr. Ferguson looks principally for the improvement in the Highlands. It is
7271–7 *et passim.* rather to State support to industries, especially Forestry and Fisheries. He spoke at length of the profits that are made and the employment that is given by planting trees, especially larches; but of the unwillingness of landowners to incur the expense, because of the long deferred returns, and hence of the desirability of Government buying the land and planting.

7281. The State should also encourage fisheries, by better communications, harbours, &c. This would give a great
7302–4. deal of employment, especially in the Lews.

7270. And the third way in which he thought more occupation could be provided for the inhabitants of the Highlands was by emigration. But "it is not desirable that the State should assist merely in emigration under any
7281. circumstances, and it is particularly undesirable at this present juncture for the reasons already given. And if any scheme of State colonisation be entered upon, it should be on the basis of a general scheme, applicable to the three kingdoms, and put in operation through the local authorities."

NOTE.

There are a variety of branches of the subject which have hardly been touched upon in this Summary, *e.g.*:—

1. The powers of county councils and boards of guardians to carry out and borrow money for emigration. They are little used except for—

2. Children's emigration, which has been supported by Mr. Rankin (1818–22), who urged the Committee to take this matter into their cognisance, Sir C. Tupper (1748–54), and Sir B. Leighton (3980, 1; 4111–4).

3. The importance of the selection of emigrants has been insisted on by most witnesses having practical knowledge of emigration (*e. g.*, Fair, 2602–9; Mr. M'Neill, 1445–7; Mr. Edwards (3666); M'Cree (3913–4); Mr. Rankin, Mr. A. White, and others; and the representatives of the colonies also mostly spoke of the necessity of their having a part in the selection.

4. The desirability of family emigration, especially from the congested districts, which would allow of consolidation of holdings; Mr. Cochran-Patrick (128–40); Major Fair (2130; 2309–18), and Mr. Tuke (3431, 3436), give evidence as to this.

5. The question of emigration to the United States was also mentioned approvingly by Major Fair (2643–73), and Mr. Tuke (3446, 3596, 3608), although it would be giving public money to assist the development of a foreign country.

APPENDIX, No. 2.

PAPER handed in by Dr. *Clark*, M.P.

LETTER from the Highland Crofters at Saltcoats, North West Territory, 1 November 1890, to Dr. *Clark* (a Member of the Committee).

Lothian Coloney, Saltcoats,
Our dear Sir, North West Territory, 1 November 1890.

We the Highland Crofters at Saltcoats beg most respectfully to inform you some of the great hardships we have gone through since our arrival on this side of the Atlantic we arrived at Halifax on 14th April 1889 after being 11 days on the voyage during that time we were carefully attended to but on our arrival at said port the Canadian officials were so eager for us and the money granted to us by Colonisation Board that they would not let Sunday pass without removing us to the North West Territory of America when men, women, and children were packed into railway carriages with very little food we were left for 27 hours on one slice of bread and a small bit of cheese which told on the health of women after sea sickness with suckling children we complained of this treatment at once to the agent but without any effect we afterwards got inferior bread six pounds for 24 hours to nine of a family and two bottles per day of cold coffee taken from engine water divided among the above number. If we had not a few shillings of our own we would have been starved before we got to our destination on our arrival at Saltcoats there was no accommodation for us except a small house in the name of an emigrant shed and a few ragged railway tents which would not keep one-third of the people therefore some of us were obliged to live in railway cars for three weeks some five, six, and seven families in each car during that time bad accommodation inferior and scanty food soon told on the health of men, women, and children. During the three weeks we were at Saltcoats each head of a family was kept unloading lumber from railway cars until we protested against such deliberate attacks. Afterwards some of us got one dollar per day and the majority nothing whatever and the above payment was made out of our own loan. The secret of our new homes was kept dark on us until sowing season was over after that we were forced to leave the railway cars with our families and live in ragged tents on the open prairies we were demanded by these officials to cart lumber for our houses a distance of nine miles not knowing where our houses or land would be and unless we obeyed their orders we would not get as much flour as would make a scone of bread and when we obeyed their orders we got inferior flour and oatmeal and some tea and Chicago pork of the very worst class that could be got. And worse than all if we complained of this bad quality we got we would not get any at all. Mr. Colmes, Secretary for the Board, visited us in October 1889 during his visit his conduct was harsh and cowardly he addressed us by saying we were eating devilish too much and where we got the tobacco we were smoking. Our daily allowances since Mr. Colmes visited us until April last when it was stopped is as follows:—

One pound flour less than four ounces oatmeal for each head of a family.
Half pound flour for women.
Quarter pound flour for children under 14 years of age.
We also got some Chicago pork or beef.

One pound tea supposing to make 30 days to five of a family and nothing whatever for those adults over 14 years of age when these adults could not get work even for their keep it was by selling wood for fuel to the people of Saltcoats that we kept ourselves alive last winter although it was the severest winter witnessed in the North-West for many years past when winter comes here it is winter there is no dull wet plashy weather as in this dismal November of ours in Britain if anything comes down it is whit and the cold blasts that sweeps over the prairies are enough to skin a rat. In regards to those 13 families that left Leach Lake or King's Colony they were revenged out of their places by the Colonisation Board agent provisions he stopped in April and the poor men saw if they stopped to put in any crops and having no provisions that there was nothing before them but death by starvation not that they were willing to leave but they had to go to obtain work to support themselves and families and one of the above number Donald McGummery never got oxen to do any work he applied to the agent last spring for a yoke of oxen the agent's reply was that he did eat them long ago the other seven families that left were advised by some friends who lives in different parts of Manitoba to leave this place except one Finley McLean who could not get grain seeds from the agent to sow he the agent says he got 700 dollars from the Canadian Government to buy those seeds and that that sum was too little and that he added 60 dollars to that amount out of his own pocket I may mention that none of us would get any grain seeds or potatoes until such time we would give the agent security those parties that bought cows with their own money had to pledge them before they could get any seeds these seeds are to be paid back bushel for bushel we got or in money if it did not grow some of us got what we needed of seeds and others of us had to leave acres unsowed the same time the agent stopped giving provisions the Galic Society, Toronto, was to give us some help in the shape of provisions he the agent telegramed the Society that crofters at Saltcoats were well supplied with food and clothing. We look on this agent as an unclean thing among us and as a man that would be paid by some society to revenge us out of the country and we may say with a certainty if he is kept here by the board as agent another year that he will be successful we are sorry to admit that he did con us highlanders by taking undue advantage of us but gentlemen we look to you now for our safety and that you see that a stop is put to such undue attacks on us by the agent. The accounts we got from the agent is nothing less than a scandal in our accounts we are charged twice with the one article and some of us are charged with goods we never received and some of us were charged 10 dollars for a premunition and never entered in the land office books we are also charged 10 dollars for locating we cannot understand how we are charged 10 dollars for locating and 10 dollars as entry fee our accounts we showed to different parties of rank and taking the same meaning out of them as we do ourselves viz. wholesale robbery all the provisions we have received has been inferior and overcharged from first to last we would like to know who is the man that got all these overcharges put into his own private ends. Another company offered to supply us with good quality of flour all at one shilling per sack less than Buchanan & Co. and the agent refused to contract with him anyone having the least doubts to the truth of above statement can be satisfied by applying to Mr. J. S. Creurer, Grain Merchant, Saltcoats, who offered the said contract. We may pass some remarks of our present condition. The majority of all our effects is useless through old age and inferior qualitys and none of us can add to either of them judge for yourselves what position we are to be in shortly. At the same time we are sorry to think of the liberal advance we received from the British Government as we do not see our way to recompense the same but at the same time we are of opinion that it is well paid through our hunger hardships and errors. Mr. Colmes in his acknowledgment of the petition sent to the Marquis of Lothian by Mr. Norman McRae and others in December of last year that there was no doubt to the suitability of climate and the fertility of the soil of Manitoba and the North-West Territories including the Saltcoats District for general farming purposes we do not say the soil is not fertile but we say the climate is not suitable other

people say it is a healthy climate but we come to the conclusion it is not. Short hot summers and long cold winters if such climate is healthy judge for yourselves we have little crops this year wheat little or more frozen. Wheat will average 25 bushels to an acre oats 30 bushels an acre potatoes good. We may say in regard to our accounts that they can never be settled without sending a responsible officer from England to go through our accounts and the agent's books or provisions made to bring one or more of us to one of your committee meetings in Scotland with all the crofters' accounts in our possession then we will be able to point out the errors and what we never got as we do not mean to pay one shilling until such time as we will get substantial accounts showing day and date goods and prices mentioned. The board says they have carried out their part of the agreement when they expended the 120 *l.* on each head of a family when the board has done their duty so far we are of opinion they are duly bound to see in what way it has been expended we consider that we are safe in saying that we never got over the value of 400 dollars worth out of the 600 dollars advanced to each of us.

What crofter Robert McKay says I was driven out to the wilderness with four of a family under nine years of age with dry corn one sack bad flour one sack oatmeal some quantity of pork and some bad tea what they called crofters' tea this unfit and unwholesome food soon told on the health of my weak family the result was that one member of my family was attacked with inflamation in the stomach and lungs which caused great hardships in my family we had to watch day and night for eight weeks and three days. I would not be paid for my troubles less than 300 dollars I have none to blame for this but my superiors for sending me out with unwholesome food and no milk afterwards I went and told them I was going to sue them for damages then they gave me a can with milk and all the crofters were treated more or less in likewise manner now they had papers in the name of true bills to sign the time the agent took to get these true bills signed was the day the whole crofters got their provisions he the agent did hold this true bill in one hand and the provision order in the other hand if you don't sign this paper I will give you no provisions the only two that did not sign them went home without getting any provisions whatever at the same time we were well aware these bills were incorrect but we had to sign them to preserve the life. We are hoping gentlemen that all these points will be carefully considered as we are able to prove all we have stated and if necessary to appear before anyone having any doubts as to the accuracy of this statement.

We now, gentlemen, beg most respectfully to thank you for your kind and short visit among us.

(signed) *Robert McKay.*
Alexander Young.
Kenneth McIvor.
Alexander MacDonald.

Charles Doeherty,
Secretary.

Dr. Clark, M.P.,
5, Throgmorton-avenue, London.

APPENDIX, No. 3.

PAPER handed in by Mr. *A. F. Eden*, 6 February 1891.

NOTES ON AIDED COLONISATION.

Colonisation of People without any Means of their own.

It has been proved that 600 dollars is not sufficient to give a fair start at farming, where cost of passage and subsistence has to be provided, and as the amount of the advance to the settler is limited by the Dominion Lands Act to this sum, it is necessary that at least a further loan of 300 dollars should be made to some member of the family who can also take up a homestead alongside that of the head of the family, thus giving 320 acres as security for a total loan of 900 dollars, on which amount the following notes are based. Amount of advance required, 900 dollars to a family.

The most important point to be attended to is the selection of families who are to be aided. In the past this selection has not been, in a great many cases, as carefully looked after as is necessary. There can be no doubt that the most secure advances are those made to married men with families, some members of which are grown up and able to assist on the farm or earn wages at service. Selection of families.

Married men, with young children only (unless a brother coming out with them takes a 300 dollars loan), are therefore undesirable as aided settlers, as the head of the family can obtain only 600 dollars as a loan, and has to work single handed, and is unable to leave home at any time to earn wages.

Single men are also undesirable as aided settlers, except in cases where they get a half advance, together with and as part of the loan to the head of the family, as there is nothing to prevent their leaving and giving up the land at any time they may be at all dissatisfied with their prospects, or think they can do better earning wages than farming land.

It is desirable that those who are aided should have some knowledge of farming; or, at any rate, some experience in the care of stock; and most essential that they should be willing and able to work, and strong enough to stand roughing it for the first year.

An agreement should be signed before the aided settler leaves the old country, setting forth fully to what extent aid will be given, and explaining as far as possible what form this aid will take, and what obligations the settler takes upon himself in regard to the Government or company so aiding him. It has been a fruitful cause of annoyance to find that misunderstandings have arisen as to what would be done for the settler on his arrival in Canada, and a great deal more work has been entailed on the agents on this account. One difficulty being that the settlers expect more assistance than is possible to give for the amount of money loaned. It would therefore be well to have the estimated outfit thoroughly explained to each settler before starting, and a copy attached to the agreement, so that statements as to promises given could not be made by the settler after his arrival on the ground. Agreement to be signed by the settler.

As the land has been selected and some improvement made upon it in advance of the settler's arrival, one clause in the agreement should be that the settler agrees to accept the land selected for him, or to forego any further advance being made to him; and as he has already received an advance towards his passage money, &c., when he selects land elsewhere a lien for the amount shall hold good against such land so selected by him. It is very evident that it is to the interests of the lender in selecting the land to get the very best that can possibly be found, so that the settler will be perfectly safe in making this condition, which is rendered necessary to prevent such a moving about of the settlers after their arrival as to practically throw out of gear all arrangements made for their being placed on the land as economically and as rapidly as possible.

It is necessary long before the families are sent out that preparation should be made for their reception. The locality is to be decided upon, homesteads selected, after careful examination, and some plowing done on the land the year before. Great objections have been raised to grouping colonisation; but it seems impossible to carry out any scheme of magnitude without such grouping. It has often been suggested that the best way is to place aided settlers on the land in well settled districts among other farmers from whom they can learn the ways of the country. But it will be obvious to anyone giving this matter the most superficial attention that there are great difficulties in the way of carrying out this suggestion. In well settled districts most of the land for homesteading has been taken up and settled upon for some time; and, as a rule, the land left open for entry is of inferior character. Ground for operations.

The cost of handling the settlers under these circumstances, even if it was possible to select land, would also be very largely increased indeed, owing to their scattered position. It is also important that the land selected should be at no great distance from the railway, and as in a large scheme a considerable quantity of homestead land is required, it will be seen that the only selection that could be made is on the line of a projected or newly built railway, where homesteading land has not been taken up.

The difficulty of settlers getting into the ways of the country is overcome to a certain extent by having a practical agent on the spot who will give advice to the settlers during the first year. As under the Act it is necessary to provide the outfit and supervise the delivery of each article, it can readily be understood that if the colonists were at great distances apart, it would be impossible, without great expense and loss of time, for one agent to cover the ground. The nearer to the railway and market the land is, the better security of course it will be to those lending the money to the settler.

Homesteads should be carefully selected by a practical man, and full reports on them given to the agent in Canada. Ploughing should also be laid out on the quarter sections which are intended for the heads of families (say about five acres). As settlers, if satisfied, generally bring out their friends from the Old Country, who can be settled so much easier if they can get lands near those who first came out, it will be desirable in every case to reserve, where possible, say one quarter of each section with this object in view. Examination and selection of the land.

This is without doubt of the greatest importance to the success of the settler. The ploughing laid out should be done on the land before the settler's arrival, so that he may be able to get a crop off the land during the first year. The cost of doing this is provided for in the estimated outfit. If this is not done the settler has no way of preparing for his living through the winter: he will have to buy his flour and other supplies, and will have no food for his pigs and poultry. In a very favourable season, oats, barley, and potatoes may be grown to a certain extent on new breaking, but as there are so many things to attend to after the settler's first arrival, he cannot be safely counted upon to do the breaking in time; and even if he did some breaking and seeding, in a dry season, as in 1889, the result would be no crop at all. I am of the opinion that having this ploughing done on the land, and a crop shown the first season, does more to satisfy the settler with his location than anything else. It gives a prosperous Ploughing necessary.

a prosperous look at once to the farm, and puts the farmer a year ahead with his work. There is so much to be done at first in digging wells, building stables, and putting up hay, &c., that very often but little ploughing is accomplished by the new arrival during the first year

Best time for arrival.

The best time for the settlers to arrive is about the second week in April, but this varies according as to how the season opens. They are then able to put in some crop and do some further breaking in the proper season.

Shipping arrangements from Great Britain.

The settlers should be booked straight through to the point at which they are located. In cases where there is a large number of families, it might be desirable to have someone meet them at the point of debarkation and travel with them to their destination. One item of expense which is often overlooked is that of provisions during the railway journey from the sea coast to the interior. It has been suggested by one of the Scotch settlers who came out a year ago, that if each family provided itself with a box which would go under the seat of a colonist sleeper, containing provisions procured before departure, which would keep during the ocean passage, it would be a great saving of expense.

The outside measurement of this box would be 28 inches long, 12 inches high, and nine inches wide. It could be filled with oat-cake, ham, tea, sugar, and other necessaries.

A full list of the party should be sent forward to the agent in Canada some time in advance of their departure from the other side; the families should be numbered, and allowed as far as possible to choose who they want as neighbours on the land. With this information the agent can have the whole party located on maps, and on their arrival no delay is occasioned, as they are at once sent out to their farms.

Reception and housing at the point of arrival.

In the case of single families arriving this is not difficult to arrange, as there is generally some reception house built for the accommodation of new arrivals. But in cases of large parties it has been found to be a very serious matter. Tents are most unsatisfactory. In the first place it is not desirable that women and children arriving in the early spring should be put under canvas, as if the weather is cold and wet their health is likely to suffer. The wear and tear of the tents also amounts to a good deal of money. The best way would be to have a large frame building erected, the lumber of which could afterwards be used for other purposes, and to arrange that at least half the number of houses required should be built on the homesteads before the arrival of the parties, so that they could be moved without delay and placed on the land

Where there is nothing ready in the way of houses on the land, a great amount of discomfort is occasioned, and a good deal of unnecessary expense is involved, which more than counterbalances the extra cost of having some houses built before the arrival of the party.

Estimated outfit for 900 dollars.

Every family should be provided with a full outfit on its own account, as partnerships of any kind have so far turned out an utter failure. Friends in the old country may agree to share and work together, but a few weeks after arrival disagreements arise and work on both farms is retarded.

Father and son, or brothers, are the only relations who can be taken together on a 900 dollars loan, and it must be arranged which of the two is to get the 600 dollars loan and work on the land, while the other adds his 300 dollars to the general outfit, and is willing to go out to work for wages in spare time.

ESTIMATED OUTFIT UNDER LIENS AT AVERAGE COST.

	Dolls. cts.	£. *s.* *d.*
*One yoke of Oxen (during 1889), say	130 00	26 14 3
*One milking cow, with calf (during 1889), say	38 00	7 16 2
Two more cows for stock purposes, say	70 00	14 7 8
One waggon, say	70 00	14 7 8
One ox harness, say	10 00	2 1 1
One cook stove complete (saddle-pipe) with furniture, and ten lengths and elbows	28 00	5 15 –
One plough double share and clevice	28 25	5 16 –
One barrow	16 00	3 5 9
Small tools:—Axe, saw, hay fork, scythe, rake, barrel for water, hammer, hoe, picks, sacks, pails, ploughfile, screwdriver, lantern, shovel, milkpans, bucksaw, rope, grease, logging-chain, &c.	20 00	4 2 2
100 dollars if ready. House (say No. 99, with shingles)	75 00	15 8 3
Insurance on house	2 25	– 9 3
Lumber for cribbing well	2 50	– 10 4
Provisions	†90 00	18 9 11
Seed potatoes	5 00	1 – 7
Could be reduced to five acres. Preparing 10 acres (3 dollars breaking, and 2 dollars backsetting), or less year before	†50 00	10 5 6
Seed, either at once (if land ready) or next spring after arrival, for 10 acres	20 00	4 2 2
Garden seed	1 00	– 4 2
Gun	12 00	2 9 3
Poultry	2 00	– 8 4
Two pigs	5 00	1 – 7
Entrance fee for two homesteads	20 00	4 2 2
Charge for location and legal expenses	10 00	2 1 1
Incidentals (medical attendance and drugs)	5 00	1 – 7
	710 00	145 17 11
‡Passage money and sustenance on road, say	190 00	39 – 10
TOTAL	$ 900 00	£. 184 18 9

The above does not include any charge for cost of management, or allowance for clothing, which should be ample for one year.

* The price of oxen and cows is subject to great changes; in 1884 a yoke being from 200 dollars to 250 dollars, and cows with calf from 60 dollars to 80 dollars.

Liens:	*Dolls. cts.*
One for	600 00
Half	300 00
TOTAL $	900 00

N.B.—† Where ploughing is not done the year before it reduces this 50 dollars, but as there is no crop (except a few potatoes), this 50 dollars should be added to the provision account, making the 90 dollars estimate 140 dollars.

‡ This should not be exceeded.

The

The foregoing list shows the estimated necessary outfit, which has been made up after careful consideration, and may be looked upon as containing only the barest necessities. It would be very desirable before the settlers come out, to get the agent in Great Britain to go over the estimate with them, showing them that nothing included in the list could be very well done without; and as this uses up all the money, nothing but the articles appearing on the list could be provided except by striking out some article estimated for. Prices of course are subject to great changes, but the estimated outfit is as closely calculated as possible. With this outfit a family should be able to make a fair start. I think it is undesirable to accustom the aided settler to be always looking to the agent in charge for assistance, and it should be impressed upon the settlers before they come out, that after they have received their full amount of outfit they will be left entirely to their own resources, and be in the same position as any other settler in the country.

In view of this it is not well to dole out provisions, but after agreeing on the amount to be spent for this object with the settler, a credit should be arranged for him with a local store to that extent, and the settler should be left to himself to take out so much of it, say 10 dollars each month in any kind of provisions he likes. This prevents the pauperizing feeling that it is necessary to go to the agent every time any provisions are wanted, and most forcibly brings the fact before the settler that as soon as his credit is exhausted for provisions there is nothing more coming to him.

A family started in this way, with a father and son, each with 160 acres, should do very well indeed, more especially if there are one or two girls or boys in the family who could go out to work and earn wages. The only legitimate way in which these settlers could be further assisted would be by giving them work, when they could spare the time, in preparing land for settlers to come out the following year.

Oxen and cows.

The question of the supply of live stock is one of the most difficult ones, as the settler naturally looks to the agent for the selection, and it is not always easy to procure work-oxen and milch cows at a suitable price which will in all cases give satisfaction to the settler. I think it has been proved that the purchase by the lender of large herds of work oxen and cows in advance, is not a success, and generally results in loss. The best course to pursue is to make arrangements with some local dealer for the supply of these animals on the spot, subject to the approval of the agent and satisfaction of the settlers, who, on receiving them, should give a receipt expressing their satisfaction with the animals supplied and the price. Where a large number of cattle are required there should be no difficulty in making this arrangement.

The estimate provides for three cows for the family at the start; one would be given on arrival, and the other two as soon as the settler was established on his farm. The produce from these cows goes a long way towards providing for the living for the family, and with ordinary care the increase soon places them in an independent position, and enables them to meet the payments falling due as interest on the loan.

Implements.

All implements required, and small tools of all kinds, as well as all other articles, should be on hand when the settlers arrive, so that they may be outfitted without delay. This is best done by arrangements made with local shops if possible. Orders should be given by the agent for the various articles, and these orders should be signed by the settler receiving the goods.

Houses.

This is a matter which should be thoroughly understood by the settler before he leaves the other side. It is to be constantly borne in mind that the total amount of the advance and a half is nine hundred dollars ($900), and it is not possible to make a greater provision than 75 dollars for the cost of housing accommodation.

I think the class of rough frame shelter put up by the crofters at Saltcoats, and known as the "McKay House," costing 66 dollars on the ground, but which might and probably would cost more in the future, is the most desirable, as it gives the greatest quantity of room for the smallest expenditure of money. It is, however, only a temporary protection, and only serves as a shelter during the summer, and it requires a good deal of work to be done to it by the settler to make it habitable during the winter. Nothing cheaper than this, however, could serve the purpose of sheltering the family on their arrival on the land.

The houses built by the Russians are warm and cheap, a sample of which was built near Saltcoats. It is partly dug out of the ground, and for which building the only necessary material to be purchased is a couple of window sashes and two doors and frames. The house is plastered with mud, and the roof composed of poles covered with wild hay and mud. The Russians also build a stove of mud inside the house, which makes them very warm during the winter. There is a great deal of labour in building this kind of house, but there is the advantage of saving money which would otherwise be required to be expended in lumber; and at a future date the families satisfied to live in a house of this kind at first will be able to build a house for themselves when they have acquired the means to do so.

While building these houses, however, temporary shelter is required for the families, unless contracts are made for the houses to be built in advance of the arrival of the settlers.

Insurance.

In the case of lumber houses they should be insured against fire, the charge for which is three per cent. for three years, including the risk of prairie fires.

Gun.

A gun is the most necessary part of the outfit, as in the Autumn the settler can lay in a supply of game to last during the winter.

Clothing.

No clothing should be provided in the outfit, as the settler coming out must be provided with sufficient clothing for one year at least. The amount of the loan will not allow for any purchase of clothing, and this should be distinctly understood.

Colonisation by Government.

I do not think that colonisation can ever be carried on by the Government direct. It should be worked through a company or board, which might be under the supervision of the Government, but as long as settlers are aided and settled by the Government officials there will always be a difficulty in being sufficiently strict with them, as they appear to be under the impression that as the Government has brought them out and settled them in the north-west, it will see they do not starve; and whenever they require more aid, they look to the Government to provide rather than depend upon their own exertions. When the time for the repayment of the loan arrives the same idea appears to be prevalent, namely, that the Government will not press for payment or take any action prejudicial to the settler.

A. F. Eden.

Winnipeg, June 1889..

APPENDIX, No. 4.

PAPER handed in by Mr. *A. F. Eden*, 6 February 1891.

MANITOBA AND NORTH-WESTERN RAILWAY LAND DEPARTMENT.

INFORMATION FOR 1891 REGARDING ADVANCES MADE ON HOMESTEADS TO IMMIGRANTS UNDER THE DOMINION LANDS ACT.

HOMESTEAD REGULATIONS.

ALL even-numbered sections of Dominion Lands in Manitoba and the North-West Territories, excepting 8 and 26, which have not been homesteaded, reserved to provide wood lots for settlers, or other purposes, may be homesteaded by any person who is the sole head of a family, or any male over 18 years of age, to the extent of one-quarter section of 160 acres, more or less.

Entry.

Entry may be made personally at the local land office in which the land to be taken is situate, or, if the homesteader desires, he may, on application to the Minister of the Interior, Ottawa, or the Commissioner of Dominion Lands, Winnipeg, receive authority for some one to make the entry for him. A fee of 10 dollars is charged for an ordinary homestead entry; but for lands which have been occupied, an additional fee of 10 dollars is chargeable to meet inspection and cancellation expenses.

Homestead Duties.

Under the present law homestead duties may be performed in three ways, and, on making application for entry the settler must declare under which of the following conditions he elects to hold his land:—

1. Three years' cultivation and residence, during which period the settler may not be absent for more than six months in any one year without forfeiting the entry.

2. Residence for three years anywhere within two miles of the homestead quarter section, and afterwards actual residence in a habitable house upon the homestead for three months next prior to application for patent. Under this system 10 acres must be broken the first year after entry, 15 additional in the second, and 15 in the third year; 10 acres to be in crop the second year, and 25 acres in the third year.

3. The five years' system under which a settler may reside anywhere for the first two years (but must perfect his entry by commencing cultivation within six months after the date thereof), breaking five acres the first year, cropping those five acres and breaking 10 acres additional the second year, and also building a habitable house before the end of the second year. The settler must commence actual residence on the homestead at the expiration of two years from date of entry, and thereafter reside upon and cultivate his homestead for at least six months in each of the three next succeeding years.

Application for Patent.

may be made before the local agent, any homestead inspector. Before making application for patent the settler must give six months' notice in writing to the Commissioner of Dominion Lands of his intention to do so.

Settlers and others are hereby warned, under pain of prosecution, against cutting timber on Government lands without first obtaining from an authorised agent of the Crown a permit to do so.

Homesteaders, previous to receiving recommendations for their patents, having no timber on their own, can, upon application, obtain a FREE PERMIT to cut a quantity of timber not exceeding the following quantities, on payment of office fee of 25 cents:—

1,800 lineal feet of building logs; 400 roof poles; 2,000 poplar fence rails (not exceeding five inches at butt end); 30 cords of dry wood for fuel.

Information.

Full information respecting the land, timber, coal, and mineral laws, and copies of these Regulations, as well as those respecting Dominion lands in the Railway Belt in British Columbia, may be obtained upon application to the Secretary of the Department of the Interior, Ottawa; the Commissioner of Dominion Lands, Winnipeg, Manitoba; or to any of the Dominion Land Agents in Manitoba or the North-West Territories.

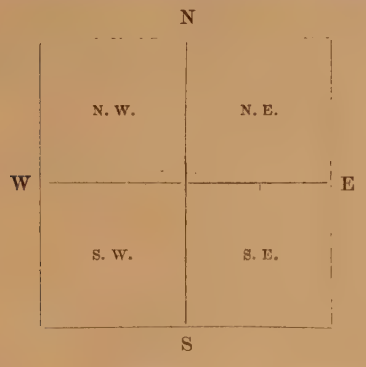
A. M. Burgess,
Deputy Minister of the Interior.

Land Offices on M. & N. W. Railway,
Minnedosa, Birtle, Saltcoats.

This Book should be kept by the applicant for a loan, as it contains full information as to the necessary steps to secure an advance, and also copies of all papers signed by him. These forms can be filled up in the book at the time advance is completed.

A. F. Eden, Land Commissioner,
Manitoba and North-Western Railway Company, Winnipeg.

DIAGRAM showing Location selected by Settler.



Sec ..... Tp ..... Range..... West of..... P.M.

The land guide will mark the quarter section selected on above diagram, and fill in the section, township, and range for information of settler.

CONDITIONS under which Advances are made.

Under the provisions of the "Dominion Government Land Act" advances are made to immigrants from Great Britain, the Continent of Europe, and the United States, who are desirous of taking up homesteads.

The Act does not allow advances to be made to persons resident in Canada.

No one who has previously had entry for Dominion lands is eligible for the advance.

Advances are not made to single men, except in conjunction with advance to father or married brother.

The advance is not made to any person taking up cancelled homestead or pre-emption until the Government inspector has examined same, and it is reported that the land is again open for entry.

The amount of advance varies from $200.00 to $500.00 with interest at 8 per cent. per annum.

Security is taken on the homestead in the form of a lien or mortgage (*see* form, pages 70 and 71) and receipt note (*see* form page 71) on the stock and implements, &c.

Repayment of the principal is to be made in 10 equal annual instalments, the first of such payments falling due on the 1st of November, five years after the settler obtains the advance.

Under the Act, provision is made that payments of interest cannot be demanded from the settler until the 1st of November, two years next following his going on the land.

The interest for such period is added to and forms part of the principal.

The settler has to pay the interest on the 1st of November, the third year after going on the land for the year preceding and on the 1st of November each year following until advance is repaid.

For example, the settler gets :		*Dols. cts.*
Advance on 1st April 1891		200 00
Interest on 1st April 1891, to 1st Nov. 1893—two years and seven months		44 16
Amount of principal included in lien		$244 16
He pays one year's interest on 1st Nov. '94, on principal of $244.16		19 53
" " " " '95 " " "		19 53
	Dols. cts.	
" " " " '96 " " "	19 53	
" " " and also 1-10th of principal "	24 42	
		43 95
" " " on 1st Nov. '97, on principal of $244.16, less $24.42 (payment on principal on 1st Nov. '96)	17 58	
" " " and also 1-10th of principal	24 42	
		32 00

and so on yearly ; the interest decreasing as the annual payments are made.

N.B.—Advance can be repaid at any time following the date to which interest is included in principal, by either payment of principal in full and interest due to date payment is made, or by larger annual instalments than one-tenth ; but it must be borne in mind the company will require the interest and annual repayments, as prescribed by the lien, to be made promptly.

Cash in no case is handed to the settler ; all advances are made by orders (*see* form, page 71) signed by the Company's agent, and also by the settler, which orders are paid by the Company on receipt at Winnipeg office under certain conditions as stated on face of order.

Freight is not allowed as part of advance, but has to be paid by settler himself.

Settler is required to show his ability to provide sustenance for himself and family during first year.

Cattle, implements, &c., included in receipt note given by settler, must not in any way be disposed of unless by special permission in writing. Any infringement of this rule will necessitate legal action to recover, the costs of which will fall on the settler.

Entry for homestead must not be made by settler requiring advance until lien is signed.

Application for Loan.

Application for loan (*see* form, page 72) must be filled up and signed at the offices of the M. & N. W. Railway Company Land Department, Winnipeg.

The application form states the amount asked for by the settler and details of what he requires in shape of stock, implements, &c., according to a list (*see* page 72) to make up the asked-for amount.

The applications will be laid before the Directors, and if approved, the settler is required to pay in cash one per cent., acceptance fee, upon the amount allowed by the Directors.

He will also sign an application (*see* form, page 73) to the Commissioner of Dominion Lands, to grant Power of Attorney for the Company's agent to make entry for land for him, and pay one dollar, the agent's fee for doing same, and swear affidavit for entry (*see* form, page 73.)

Selection of Land.

Arrangements will then be made with the Applicant for transportation to the point at which he wishes to select his homestead.

He will there be met by a land guide who will assist him in selecting his homestead, who also fills up and forwards to the Land Commissioner in Winnipeg the following form signed by the settler and certified to by himself as Land Guide.

No. .....

..... 189 .....

I ..... have finally selected the ..... Quarter of Section ..... T ..... R ..... M ..... as my homestead, and I desire that entry may be made for this land for me.

Certified Correct.

....

Land Guide.

Acceptance fee is forfeited should the applicant determine not to locate on the line of the M. & N. W. Railway Co.

Papers to be Signed.

As soon as word is received from the Dominion Land Agent of the district in which the land is selected, that such land is open for entry, the necessary lien papers, &c., will be prepared, which the settler has to sign.

Settler then receives half rate orders for himself and family from Winnipeg to his destination.

Supply of Outfit.

Settler receives at the point of outfit, from the Company's Agent, orders for such articles and stock as agreed to be advanced to him.

All purchases of stock, implements, &c., have to be made at point at which he is outfitted.

No second-hand articles, unless under very special circumstances and permission, will be allowed to form portion of advance.

The settler will select his own stock, which he will be required to take to the Company's Agent for inspection and to have particulars entered on the receipt note.

The Company reserve the right to refuse any such stock if their Agent considers them not good value.

The Company have selected certain standard implements which the settler is required to select from.

The settler is required to take the articles included in his advance promptly, as the Company otherwise will call upon him to attend before the Dominion Lands Agent to complete his papers less such amount he has not taken.

The settler will see this is to his advantage, as the interests starts from the first of the month he signs his lien paper if previous to the 15th, or the 1st of the following month if after the 15th.

Completion of Papers before Government Agent.

So soon as the advance is completed the settler is required to attend before the Dominion Government Land Agent of the district to swear the necessary affidavit (*see* form, page 73), required by the Act.

Company's Object in making Advances.

The settler must understand that the Company's object in making these advances to assist them in taking homesteads is to help in filling up the vacent lands along their line, and so increase the traffic of the railway.

The settler must also bear in mind that the Company look upon and treat him like any other settler or homesteader on their line of railway.

Note.—While the Manitoba and North Western RailwayLand Department make these advances, they do so for the Canada Settlers' Loan and Trust Company, in whose name all legal papers are made out, and whenever advances are completed, all papers and correspondence are handed over to the agent of the Canada Settlers' Loan and Trust Company, Messrs. Allan, Brydges & Co.

The settler will be notified by circular so soon as the papers are handed over to the Loan Company.

Lien Form.

LIEN under "The Dominion Lands Act," and Amendments thereto.—"Form R."—Acknowledgment and Charge.

I, the undersigned, of in the district of Assiniboia, in the North-West Territories, farmer, hereby acknowledge to have received the sum of dollars and cents from the Canada Settlers' Loan and Trust Company (Limited), as an advance under the provisions of "The Dominion Lands Act" and amendments thereto, in aid of my establishment upon a homestead in Manitoba or the North-West Territories of Canada, which sum of money I undertake to pay to the said Canada Settlers' Loan and Trust Company (Limited), its representatives, or assigns in 15 years from the 1st day of November 1891, as follows:—In 10 equal consecutive yearly instalments, the first of such instalments to be paid on the 1st day of November A. D. 1896, with interest thereon from the 1st day of November 1893, at the rate of 8 per cent. per annum, payable on the 1st day of November in each year, the first instalment whereof will become due on the 1st day of November A. D. 1894; and as security for such payments I hereby undertake and agree that the homestead for which I shall obtain entry shall be charged with the said sum of money advanced to me, with interest thereon at a rate not exceeding 8 per cent. per annum, according to the said Act and amendments thereto.

I create the said charge upon condition that I am to have the privilege of paying off the said advance at any time prior to the expiration of the said fifteen years.

In witness whereof the parties hereto have executed these presents in triplicate this day of 189 .

Signed, Sealed, and Delivered in the presence of

SEAL.

Statement of Expenses.

Lien Form. (continued.)

		$
For cost of	passage	
Ditto	subsistence	
Ditto	entry fee	
Ditto	breaking land	
Ditto	selecting land and placing settler thereon	
Ditto	legal expenses	
Ditto	material for building, cost of erection, and ins.	
Ditto	horses and cattle	
Ditto	house furniture	
Ditto	farm implements	
Ditto	seed grain	
		$
Interest on $	to 1st November 1893, at 8 per cent	
		$

Certificate of

I, hereby certify that I find the sum of dollars and cents due by the said to the said the "Canada Settlers' Loan and Trust Company (Limited)," in respect of the matters in the above statement of expenses mentioned or referred to, and I further certify that the land affected by the foregoing lien is quarter of Section Township Range west of Meridian.

Dated this day of 189 .

Receipt Note.

Receipt Note.

Received in good order and condition from the "Canada Settlers' Loan and Trust Company (Limited)" the following goods, chattels, and cattle, that is to say :

for which I have not yet paid, and which are to be used on quarter of Section Township Range west of the Meridian, and it is understood and agreed that the property in said goods, chattels, and cattle is not to pass to me but is remain in the said Company until I have paid the said Company the sum of dollars and cents, which I have agreed to pay the said Company notwithstanding any damage to or loss of said goods, chattels and cattle, as follows: In accordance with the terms of payment mentioned in a certain lien given by me to the said Company on the said land.

And in default of the punctual payment of any of the monies as above provided, or of my living off the said land for one month at any one time, or leaving the said land with the intention of not returning thereto, or if in any year I shall fail to perform the homestead duties which I should perform during that year to enable me to obtain patent for my homestead at the earliest possible time, or in event of my removing said goods, chattels, and cattle, or any of them from off the aforesaid premises, or of my ill-treating or neglecting the above mentioned cattle or any of them, the said Company or their Agent may resume possession of all the said goods, chattels, and cattle above mentioned without any previous demand, and make any entry that may be convenient for such purpose.

And I further agree that in the event of my death before giving a lien on the said lands to the said Company in accordance with the provisions of the Dominion Lands Act and amendments thereto, or if I refuse or neglect on demand to give such a lien, then the said Company or their Agent may at once resume possession of said goods, chattels, and cattle, without any procedings at law, and make any entry necessary therefor.

And I hereby waive all right of action for trespass by reason of any action or proceeding that may hereafter be taken by the said Company or their Agent in resuming possession of the said goods, chattles, and cattle.

Dated this day of A. D. 189 .

Signed in the presence of

Manitoba and North Western Railway Company Land Department.

Order Form.

This Order must be received by the Land Commissioner, Manitoba and North Western Land Department, Winnipeg, with detail invoice in duplicate, signed by the Settler, attached, not later than the 7th of the month after the delivery of goods. Separate invoices must accompany each Order.

189.....

Order No.....

On M.....

Please Deliver to :

Account.....

Loan No.....

$

Signed.....

Local Agent.

Received the above, with which I am satisfied, and desire to be charged for on account of my advance.

☞ Party supplying goods must see this signed by settler on whose loan account order is issued, on delivery of supplies.

If this Order is transferred a receipt in full must be endorsed on the back of this Order in favour of party to whom transfer is made and signed by the party on whom Order was originally made.

Application Form.

No.....

Application for Loan.—Manitoba and North Western Railway Company. Land Department.

Nationality.....Where from .....

State the full name and age of each member of your family including self and wife. .....

Would all your family go out with you on to the land? If not, state which remain behind and how employed. .....

If you have farmed previously, state where. .....

Are you accustomed to live stock? .....

If not a farmer state what business you have been engaged in. .....

How long have you been in this country? .....

State utmost amount of capital of your own you have. $.....

If you have any live stock or implements give particulars. .....

Give name and address of two references. .....

STATE AMOUNT OF LOAN YOR REQUIRE. $.....

Fill in against such articles you may require in column headed "Asked For," the amount to make total amount of Loan you ask.

Note No. 1. The charges for "Entrance Fee for Homestead" and "Locating and Legal Expenses" are fixed and must be taken into account as portion of Loan.

Note No. 2. The prices given in column under "Estimated Cost" are the probable cost of such articles at station on the M. & N. W. Railway.

ARTICLES.	Estimated Cost.	Asked For.	ARTICLES.	Estimated Cost.	Asked For.
	Dols. cts.			*Dols. cts.*	*Dols. cts.*
1 Yoke of Oxen	130 0	—	Amount forward	—	—
1 Milch Cow and Calf	38 0	—	Material for house	—	—
2 Cows for stock purposes	70 0	—	Prepared land, breaking $3; backsetting, $2 per acre	—	—
1 Wagon	75 0	—	Seed potatoes, say	5 0	—
1 Ox Harness	12 0	—	Garden seed, say	1 0	—
1 Cook Stove complete with furniture, 10 lengths pipe, 2 elbows and saddle pipe	30 0	—	Seed grain	—	—
1 Plow, double shear and clevice	29 25	—	Gun	12 0	—
1 Harrow	18 0	—	Poultry, say	2 0	—
Small Tools:			2 pigs	5 0	—
Axe, saw, hay fork, scythe, barrel for water, hammer, hoe, pick, sacks, shovel, milk-pans, rope, bucksaw, grease, nails, plow file, lantern, logging chain, churn, grindstone	20 0	—	Entrance fee for homestead	10 0	10 0
			Fee if cancelled, homestead taken	10 0	—
			Charges for locating and legal expenses	—	10 0
			Insurance on house for 3 years. Rate 3 per cent. on cost (This is a fixed charge against Loan.)	—	—
Amount forward	—	—			

Note.—The applicant in all cases will be required to deposit with the Company $120.00 to be returned at the rate of $10.00 per month for twelve months for provisions, or to prove his ability to provide sustenance for himself and family during such period.

If deposit is made, interest at the rate of 5 per cent. on monthly balances will be allowed.

Date ..... 189 .....

Signature of Applicant .....

Address .....

Power of Attorney

..... 189 .....

Sir,

Will you please authorise Mr. ..... of .....
to make entry for Dominion lands on my behalf, in accordance with Sub-section 3, Section 29, 49 Vict. c. 27.

Please send the authority to Mr. ..... at .....
Post Office.

I am, Sir, your obedient servant,

.....

To the Commissioner of Dominion Lands, Winnipeg, Manitoba.

No.....

Application for a Homestead Entry.

Application and Affidavit for entry.

I,..... .....of .....
do hereby apply for a Homestead Entry, under the provisions of Sub-clause.....of Clause 38 of the "Dominion Lands Act," for the.....quarter-section of Section Number..... .....of the.....
township, in the .....range west of the .....meridian.

.....
.... District.

.....189 .

Affidavit in support of Claim for a Homestead Entry by a Person who has not previously obtained Homestead Entry.

I, ... do solemnly ..... that I am over eighteen years of age; that to the best of my knowledge and belief the land in respect of which my application is made is of the class open for homestead and Pre-emption Entry; that there is no person residing on the said land, nor are there any improvements thereon, and that this application is made for my exclusive use and benefit, with the intention of residing upon and cultivating the said land, and not directly or indirectly for the use or benefit of any other person or persons whomsoever; and that I have not heretofore obtained an entry for a Homestead on Dominion Lands.

Subscribed and ..... to this .....
day of ..... 189 ....., before me.
.....

.....

Dominion Lands Act, and Amendments thereto.

Affidavit by Homesteader.

Affidavit after completion of advance.

I, of
in the district of Assiniboia, in the North-West Territories; Farmer.

To Wit: make oath and say:—

1. That I am now and have been since the day of
A.D. 189 , a *bonâ fide* settler and resident upon the following land, namely.
Quarter of Section number , in Township , Range
west of the meridian in Dominion of Canada, as a homestead, and
obtained homestead entry therefor on the day of
A.D. 189 .

2. That prior to said last-mentioned date I have not made entry for any homestead in Manitoba or the North-West Territories.

3. That the "Canada Settlers' Loan and Trust Company (Limited)" assisted me by placing myself and my family on the quarter-section above mentioned as a *bonâ fide* settler.

4. That it has been and is now my intention to become a *bonâ fide* settler and homesteader upon the said quarter section.

5. That the paper hereto annexed, marked "A.," is a true copy of the statement furnished by said Company, setting out all moneys claimed by said Company to be due by me to them in respect of the expenses incurred by the said Company in paying the actual *bonâ fide* cost of the passage of myself and family to the said homestead aforesaid, of paying for my homestead entry, of providing for the subsistence of myself and family, of providing materials for buildings, and of erecting buildings on the said homestead, of insuring said buildings, of breaking land on said homestead, and providing horses, cattle, house furniture, farm implements and seed grain for me, cost of selecting said homestead, placing me thereon, and legal expenses, together with the sum of $
in respect of interest as therein set out, and as required by the Dominion Lands Act, and for no other purpose than aforesaid mentioned, which statement shows the amount of such claim as being $, and I say that the sum of $ is justly and truly owing and payable by me in respect of the said matters in said statement referred to.

6. That the said sum of $ was advanced by said Company to me or on my behalf, and at my request.

Sworn before me at
the day of
189 .

APPENDIX, No. 5.

REPORT of the Natal Government Emigration Agency in London for the Year 1890, handed in by Mr. *W. Peace.*

1. There have been 30 shipments of emigrants during the year, numbering 1,036 (One thousand and thirty-six) souls, being an *increase* when compared with 1889 of 256.

2. These figures bring up the *total* number of emigrants sent out through this office in eleven years to 6,369 (Six thousand three hundred and sixty-nine).

3. The *Nationalities* of the Emigrants (1890) were as follows :—

English	629	Irish	14
Scotch	333	Foreigners	60

4. Schedule A. attached hereto gives a description of the *callings* and *sexes* of the emigrants from which it will be seen that the number of women and children (620) exceeded the number of men (416). One-third of the emigrants (348) were the relatives of men already settled in the Colony, thus showing that those who go out draw others after them.

Nominations.

5. The number of approved (Natal) nominations dealt with, including 140 on hand 31st December 1889, was 629. Of these 475 were duly filled, and 84 were cancelled for various reasons, leaving 70 on hand on the 31st December 1890. Eighty-four nominations cancelled as against four hundred and seventy-five fulfilled—nearly 1 to 6—is rather a large proportion.

6. There was a decrease in the number of nominations received during the last three months of the year which coincided with a falling off in the correspondence received at this office from persons possessing any capital of their own and who contemplated emigration. There has been no lack of applications from artisans, labourers, clerks, and others who are not eligible under the existing regulations for assistance to emigrate to Natal. Such applications have become more numerous in consequence of the advertisements which are now appearing in different newspapers with regard to emigrants for the Weenen Settlement and female domestic servants.

Weenen Settlement.

7. There remain open five allotments which I had hoped to fill up, but I have not been able to secure suitable applicants for them, although I have advertised the conditions in selected newspapers in different parts of the United Kingdom.

Female Domestic Servants.

8. The number of this class of emigrants during the year was 97, including 5 who went out under new regulations established during the last quarter of the year.

9. Although the new regulations just alluded to have been made widely known by advertisements and paragraphs in newspapers there have been, comparatively speaking, only a small number of applications from suitable persons, and, in the majority of instances, the required deposit of 5 *l.* has proved prohibitory.

10. It must be noted that greater inducements are offered by the Government of Queensland for emigrants of this class without obtaining the number required, and also that the difficulty of obtaining respectable servants in London and the large towns of England seems to be almost as great as it is in the Colonies.

11. The conditions advertised by the Queensland Government are as follows : free passages for single women between 17 and 35 years of age. Wages quoted as from 20 *l.* to 40 *l.* per year, with board. Emigrants to pay 1 *l.* per adult for ship kit, which becomes their own property.

Second Class Passages.

12. With reference to the cost of second-class passages, I have to acknowledge the liberality of the Union Steamship Company and the Castle Mail Packets Company in consenting to a reduction of the charge for transfer from third to second-class passages in the cases of female emigrants travelling alone, and of married women going out to join their husbands. The charge for such transfer being reduced from 15 *l.* 10 *s.* (as per contract) to 10 *l.* 10 *s.* per adult.

13. This concession is not however available for domestic servants going out with their employers by mail steamers, and it is restricted to emigrants as above stated travelling by intermediate steamers only.

14. The total amount paid to steamship companies for passages during the year was 10,679 *l.* 6 *s.* 7 *d.* The amount of money received in London which goes in reduction of the cost of passages was 980 *l.* 10 *s.* 6 *d.* Schedule B. attached hereto gives particulars of each shipment during the year.

Agent's Visit to Natal.

15. In the months of May and June I was enabled, by permission of His Excellency the Governor, to pay a visit to the colony from which I derived much pleasure and heartfelt satisfaction, and I only regret that my stay was too short to enable me to see and learn all I wished.

16. It is certainly worthy of record that during the six weeks I was in Natal, travelling over the greater portion of the Colony, I met with a very large number of those who had gone out through this agency, and that from one and all I received a most kindly welcome—not one person suggested that he had been induced to emigrate by any statements—which proved to be exaggerated, and I met only one who expressed regret at having left his native country for Natal.

17. That

17. That such a successful result has attended the emigration of so large a number of persons must be as satisfactory to the Board as it is to myself.

18. During my absence from England the work of the agency was efficiently carried on by Mr. Edward Gunter under the supervision of John Payne, Esquire, formerly of Durban, to whom I am much indebted for so kindly acting as my *locum-tenens* on the occasion.

19. The preparation of a large and general scheme of immigration and colonisation being now under consideration in the Colony it is fitting that I should submit some information and remarks on the subject. These will be found in a separate memorandum sent herewith.

SCHEDULE A.

CLASSIFICATION of all EMIGRANTS sent to NATAL during the Year 1890.

DESIGNATION.	Men.	Women.	Children.	TOTAL.
Carpenters, joiners, plumbers, painters, grainers, decorators, and sign-writers.	106	20	41	167
Relatives of residents in the Colony, and of men going out	4	121	223	348
Domestic servants, cooks, housekeepers, nurses, and governesses.	1	97	8	106
Bricklayers, masons, plasterers, and potters - - - -	64	4	7	75
Farmers, labourers, gardeners, and stablemen - - -	43	13	26	82
Shoemakers, tailors, and dressmakers - - - - -	12	14	5	31
Engineers, fitters, cleaners, machinists, iron moulders, pattern makers, boiler makers, engine drivers, fireman, donkeyman, and platelayer.	23	2	4	29
Miners and quarrymen - - - - - - - -	22	5	5	32
Coach builders, coach painters, and coach smiths - -	8	1	—	9
Printers and bookbinders - - - - - - - -	9	1	5	15
Wheelwrights, millwright, shipwrights, blacksmith, tinsmith, coppersmiths, farriers, upholsterers, and telephone linemen.	20	1	4	25
Millers, bakers, confectioners, grocers, and butchers - -	15	2	—	17
Miscellaneous (clerks, apprentices, assistants, tramway guard, barber, taxidermist, sawyer, policeman, ice manufacturer).	11	9	2	22
Recruits, Natal Mounted Police - - - - - - -	32	—	—	32
Men for service on Natal Government railways - - -	30	—	—	30
Men for service on Natal Harbour works - - - -	16	—	—	16
	416	290	330	1,036

MEMORANDUM handed in by Mr. *W. Peace*, on EMIGRATION and COLONISATION.

1. DURING the decade terminating in 1890, remarkable changes took place with reference to European emigration both in the Colonies and the United Kingdom.

2. I refer in the first place to Colonial changes. During the years 1881–1883, the Dominion of Canada, all the Australian colonies, New Zealand, the Cape, and Natal, were bidding briskly for emigrants from Europe, and free passages were provided for very large numbers.

3. At the end of the decade the position is as follows :—

(*a.*) No free or assisted passages by nomination, or otherwise, are given by Canada, Victoria, South Australia, Tasmania, or New Zealand.

(*b.*) Free passages are granted by Queensland and Natal (by Queensland for female domestic servants and unmarried agricultural labourers ; by Natal for female domestic servants and farmers for special settlements).

(*c.*) Assisted Passages. Western Australia contributes 10 *l.* towards the passage money of approved emigrants, who possess a capital of 100 *l.* to land with. Queensland provides assisted passages for a few classes only. Natal (*see* Nominated Passages).

(*d.*) Nominated passages at reduced rates are granted by New South Wales (limited to the wives and families of colonists), Cape Colony, Queensland, Western Australia (a limited number), and Natal.

4. Changes in the United Kingdom. At the commencement of the decade, when emigrants were many, trade and agriculture in the United Kingdom were very much depressed, work scarce, and wages low ; but at the close trade and agriculture are in a very flourishing condition, wages high, and "strikes" for less work are the order of the day.

5. The Statistical Tables on Emigration and Immigration, published by the Board of Trade, refer really to all passengers carried between the United Kingdom and places out of Europe, and do not distinguish between emigrants going abroad to settle in the colonies and other passengers.

6. The net emigration from the United Kingdom (*i.e.* deducting the number of inward from outward passengers), was greater in the years 1881-1883, than in any triennial period before or since. The figures for 1890 will, think, show a reduction of one-third compared with 1883.

7. The first desire of Natal and other colonies as regards immigrants, is for agriculturists possessed of some capital to start with; therefore, I will now refer to certain changes which have occurred in the United Kingdom and have had considerable influence on the agricultural community with regard to emigration.

8. The area of land under wheat during 1890 was less by 1,000,000 acres than in 1880.

9. As to live stock, the returns for 1890, compared with those for 1889, show the following increases, viz.:

Horses	19,525	Sheep	2,182,421
Cattle	517,093	Pigs	456,175

10. With such facts before us it must be acknowledged that the chances of inducing farmers to leave farms in this country in order to commence farming in a colony are not great.

11. Fortunately, however, it is not necessary for success in colonial farming that a man should go straight from the cultivation of land in England, or even that his previous experience should have been limited to agricultural pursuits, and, the more prosperous British farmers become, so much better will they be able to equip those of their families for whom they cannot secure farms in this country.

12. While allowing for the full effect which the changes above mentioned have had upon European emigration it would be a mistake to suppose that there is not still a large and abundant supply from which to draw emigrants of the right sort for Natal.

13. But the developments which have taken place in the colony of late years, no less than the greater inducements it is now necessary to offer to intending emigrants, call for the supply of more detailed and definite information about the colony and the prospects it affords, than has hitherto been supplied.

14. It will not, in future, be sufficient to frame and publish regulations setting forth the conditions of occupancy and purchase of lands, however favourable. Such information must be accompanied by a general outline of the steps necessary to be taken, the time likely to be involved, and the probable amount of expense which would be incurred by one who landed in the colony without having any friends or acquaintances to consult with before he could enter into the possession of such a holding as his means would enable him to cultivate.

15. The fears and anxieties of men who contemplate emigrating, and who possess but a small capital, are focussed upon the first few months of their colonial life; they want to see the way open for getting to work speedily, so that they will not have to spend on hotel or travelling expenses the capital they want to stock their farms with.

16. Such information would vary according to the different districts of the colony in which immigrants are to be invited to settle, and I think it should be approved by the Land Immigration Board before being circulated.

17. Having once decided upon such districts, particulars should be given on the following points:

(*a.*) *As to Sheep and Cattle Farming.*—The locality; special suitability and pasturage capacity of the land for different kinds of stock; what are the sources of supply of fuel, also of water, for domestic and farm purposes; the distances from markets and means of communication; ordinary prices of live stock; average increase; clip of wool per sheep, &c., &c.

(*b.*) *As to Agriculture.*—The general character of the soil; the kind of crops most suitable for beginners to cultivate; cost of seed; average yield in good seasons; distances from markets; means and cost of carriage for produce and the range of prices; supply of fuel and water; whether there are any special facilities for irrigation; the prices of draught cattle and farming implements, &c., &c.

18. Having by a Memorandum sent under cover of my letter of 20th October 1887, and by a further one delivered to the Board in June last, submitted my views at some length as to the necessity for a revision of the land regulations, and for making other arrangements to facilitate the introduction of agricultural immigrants, I will not enlarge further on the subject now.

19. My reason for urging the compilation of more specific and definite particulars showing the suitability of the lands to be offered to European emigrants is, that such information published in pamphlet form, with a map and such other statistical and general information about the colony as can easily be added, would, in my opinion, lead suitable emigrants to turn their steps to Natal in considerable numbers.

20. The day is passed when the better classes of British emigrants would go forth in any numbers on such meagre information and doubtful prospects as sufficed with the "Albany settlers" in the Cape and the "Byrnes emigrants" in Natal.

21. Among the survivors and descendants of those brave pioneers we find some of the most esteemed and wealthy colonists, both in the Cape and Natal, and are apt to forget that they are mostly the *exceptions*.

22. I am convinced that any scheme which landed British subjects in a colony to face such hardships and privations as they had to encounter in the first few years would not only be a failure, but would produce a howl of indignation against its promoters.

23. The best kind of emigrants for Natal, next to those who are nominated by their friends, or are sent out under engagements of service, would be those who, with such complete information before them as I have suggested, would select themselves, and secure the approval of the Emigration Agent.

24. I have come to the conclusion that it would be good for all concerned if a considerable number of *bonâ fide* farm servants with families were introduced into the colony.

25. I believe that the majority of the farmers would find it cheaper in the end to employ such servants to a greater extent than they now do, and not only farmers alone, but other colonists also who keep horses and cattle.

26. To secure such emigrants I should probably have to extend the basis of my operations here, as good farm servants are not very easily to be obtained as emigrants. Therefore I think it should first be ascertained how many farmers in the colony would undertake to receive into their service emigrants of the class referred to before any special steps were taken at this end. Until this fact is ascertained, I do not feel it advisable to discuss the terms which should be offered as to living accommodation, wages, &c.

27. Another method by which the European population of Natal might be safely increased, would be the introduction of men to work in the construction of railways on terms which, including an allotment of land suitably situated, would induce them to take out their families and settle them on the allotments.

28. Irish peasantry now on the verge of starvation should be able to give labour quite as cheap in point of value and more reliable than that of Kaffirs, on many portions of the railway lines, and find good employment afterwards.

29. Before

29. Before concluding, I must allude to the Select Committee of the House of Commons, which has sat for two Sessions taking evidence on the subject of colonisation. Owing to my absence from England I was unable to attend before the Commissioners to give evidence.

30. I do not suppose that any evidence I could give would differ much from that which was given by others.

31. The terms of reference to the Committee were as follows :

"That a Select Committee be appointed to inquire into various schemes which have been proposed to Her Majesty's Government to facilitate emigration from the congested districts of the United Kingdom to the British Colonies or elsewhere ; to examine into the results of any schemes which have received practical trial in recent years, and to report generally, whether in their opinion it is desirable that further facilities should be given to promote emigration ; and if so, upon the means and by the conditions under which such emigration can best be carried out, and the quarters to which it can most advantageously be directed."

32. Some of the schemes alluded to have been before the board for consideration, particularly that of Mr. H. Kimber, M.P.

33. The Board will I think rightly conclude that there is little probability of the British Government agreeing to contribute towards the emigration of either agriculturists or artisans unless under special circumstances.

34. The only congested districts hitherto specially mentioned are the south and west of Ireland, and the crofter settlements in Scotland.

35. Should the suggestion about the emigration to Natal of farm servants or railway men with families be favourably entertained, it might perhaps be possible to arrange with the Home Government advantageous terms for the passages of emigrants from some of the congested districts.

36. If particulars such as I have suggested be supplied to me with reference to the several districts in which it is desired that immigrants shall settle, I will gladly undertake the duty of compiling and publishing the same in the most effectual manner my experience suggests.

APPENDIX, No. 6.

PAPERS handed in by the *Chairman*.

SUPPLEMENTARY REMARKS to Memorandum prepared by *J. G. Colmer*, Esq., C.M.G., on Letter from some of the Saltcoats Crofters to Doctor *McDonald*, M.P., dated 26th April 1890.

No. 1. I HAVE spoken to each crofter re-signing letters and petitions addressed to Lord Lothian and Doctor McDonald, M.P. A few of those, whose names appear, say they never signed the documents; others protest that they did so under the impression that they were signing a school petition; others that they did not know what they were signing. One and all express great sorrow for having signed statements which they admit to be untrue.

No. 2. From the time these people arrived in the country they have known no real need of either food or clothing; every townsman and settler will testify to this assertion. Their rations have always been of sufficient quantity and of good quality.

No. 3. When the crofters arrived at the end of their journey they expressed general satisfaction at the treatment they had received *en route*, and not one complaint was made to me as to supplies, &c. The cost for provisions during the entire journey was less than 10 dollars per head; the rate charged was a proportional one, according to the number in each family. The provisions were of the best.

No. 4. I have no additional remarks to make regarding this paragraph.

No. 5. In addition to brown duck suits each crofter received rubber shoes, heavy German stockings, and flannel enough to make shirts; also yarn sufficient to knit each member of each family two pairs of long stockings, supplied out of the funds of the Board.

No. 6. The clothing collected in and sent from Winnipeg was sufficient for the wants of all the women and children, but in addition to this, a large quantity was sent from Toronto, and part of it distributed by the Rev. Mr. McKay amongst the families. There is no truth in the assertion that there was lack of clothing, as every article sent was good.

No. 7. The crofter houses equal in comfort and suitability to the climate, &c., those of other settlers, and were built at a far cheaper rate. This is the first time I have heard a complaint about the houses; it was understood by the crofters that they were to be sodded up outside; this was done. I can vouch for the warmth of them, having slept in one with only a thin blanket over me one of the coldest nights last winter. The house I speak of belongs to No. 8, Norman McRae (one of those who signed the petition). If they are not wind tight, it is the crofters' own fault.

No. 8. Several times during the winter months I arranged for crofters to go to work, and they accepted, but when the day arrived for them to start, they did not turn up, and so missed the job. Young men and women (with the sanction and encouragement of their parents) have refused to go from home and work where they would have good wages.

No. 9. The accommodation had nothing to do with the deaths of the two children. The loss of No. 39 child was owing, in all probability, to the mother's having refused to give it the medicine supplied. Both children died of convulsions caused by worms in the stomach.

No. 10. Dr. Robertson never visited the Colonies. In one of his letters the Reverend gentleman mentions Mr. M'Bean as having spoken to him, of his personal knowledge, of the destitution amongst the crofters. This gentleman left his farm in 1885, and had not been in this part of the country since then until the visit he paid the crofters referred to in the attached clipping.

Clipping from the "Winnipeg Tribune" of 9th May 1890.

> "An interview with the Rev. Dr. Robertson was recently published in the "Toronto Mail," in which the Doctor reiterated statements made by himself concerning the destitute condition of the crofters, and he mentioned Mr. George M'Bean as concurring with his view of the matter. Mr. M'Bean states that he has recently inspected the crofter colony at Saltcoats, in company with Mr. G. B. Borradaile, the efficient Imperial Government inspector there, when evidence was exhibited which proved beyond a doubt that his former impressions were erroneous. He inspected the colony closely, and was satisfied that no destitution exists. The crofters are located in one of the best mixed farming countries of the North-West Territories, and seem well satisfied with their lot, and particularly with the kindness displayed by Mr. Borradaile, who, they say, is untiring in his efforts to contribute to their comfort and welfare."

No. 11. In January I told the crofters I should not ration them after 20th March. I also told them it was impossible for me to issue railway passes, not having power to do so. I was, however, through the kindness of General Superintendent Baker, Manitoba and North West Railway, able to offer them half-rate tickets east to work.

No. 12. Although there was but a small demand for hired labour here, crofters refused employment offered away from home (*See* No. 8).

No. 13. As I had the honour to state to the Secretary of the Board, in my letter of 9th February, and from crofter receipts in his possession, can be seen what rations the crofters have received from the time of their arrival to 31st May 1890. Provisions were reduced in October on account of the waste exhibited to me; also, because I found a number of the crofters were getting more than they required. Had the rations been insufficient, there was a ready market for firewoods.

No. 14. The answer to this petition was handed to Mr. M'Rae by me.

No. 15. The crofters have been most fortunate in having received a grant from the Dominion Government which enabled me to supply them with four kinds of seed; whereas, other settlers have only received oats and barley. I never saw crops looking better than in Lothian Colony.

No. 16. Signatures.

No. 28. Robert M'Kay. I found employment for this man on the Manitoba and North West Railway, where he worked the greater part of the winter, returning to put his seed in. I rationed his family while he was away, as he was not paid regularly. He has no cause to complain. He is the man who came to my house in company with Charles Docherty, both drunk. M'Kay has paid into the Dominion Lands Agent 10 dollars, and applied to purchase his pre-emption.

No. 7. Norman M'Aulay. Was offered work.

No. 24. Malcolm M'Donald. Has never complained to me.

No. 25. Donald M'Donald. Thinks this a wondeful country, and continually expresses himself well satisfied.

No. 39. Ewen M'Kay. Told me that if he had 200 *l.* sent out for the purpose, he would not return to Scotland.

No. 12. Alex. M'Donald. A great grumbler, easily led ; no cause for complaint.

No. 2. Kenneth M'Iver. Is away working. Writes he never saw a better farm than his own since he left.

No. 22. Alexander Mitchell. Tells me he never signed this petition.

No. 36. Donald M'Donald. Complains of bad treatment by the Board. When asked to what he refers, says : "The Board should keep him until he gets something out of the land."

No. 26. Angus M'Kay. Thinks by agitation he "will get what he wants." Will never make a farmer.

No. 40. Neil M'Sween (unmarried). Has no reason to complain.

No. 42. Alexander Young. Does not like work ; wife a hard worker.

No. 8. Norman M'Rae. A great believer in petitions.

No. 49. Donald M'Leod. Says he never signed the petition.

No. 14. Donald Graham. Is influenced by his partner, No. 28.

No. 11. Charles Docherty. The crofters appear as ignorant as I am as to the existence of such a committee as this man signs himself secretary of. He was convicted of being drunk and using abusive language, fined 6 dollars 50 cents., which he paid ; in evidence proved he spent 5 dollars getting drunk. I am told that Docherty hoped that money would be sent to him from Scotland as the result of his petition.

MEMORANDUM on EXTRACT from "Scottish Highlander," 20th February 1890.

1. "WE arrived by the 'Scandinavian' on Sunday 14th April, after being 10 days on the voyage. During that time we were carefully attended to, but when we arrived at the said port the Canadian officials were so eager for us and the money granted to us by the British Government, that they would not even let Sunday pass without removing us away to the North West Territories of America, when men and children were bundled into trains on very little food. We were left for 27 hours on one slice of bread and a small bit of cheese, which told on the health of the women after sea-sickness with suckling children."

Remarks.—The "Scandinavian" arrived at Halifax about two o'clock in the afternoon. The crofters were met by me as soon as they landed, and placed under cover, by me whilst I arranged for and supervised the transmission of their luggage to the train, as it was considered most desirable for these people that they should arrive at their destination with as little delay as possible. Everything was arranged, and the train left Halifax at 10 p.m. By 12 o'clock they were all served with supper (as much as they wished to eat), of bread, cheese biscuits, corn beef, butter and hot coffee ; after which they were made as comfortable as a train accommodation will permit for the night. During the rest of the journey the crofters were furnished with three similar meals each day. Before their arrival I had provided certain medicines and stimulants, in case of any illness amongst women and children resulting from the voyage, &c. In consequence, these people were in much better health upon their arrival in Saltcoats than when they left Halifax.

2. "Of everything which Mr. M'Neill promised us before we left, not a single word was fulfilled. They would tell us Mr. M'Neill had not the least authority for making such promises. If Mr. M'Neill had such authority to make such promises we cannot but be suspicious of the Canadian officials."

Remarks.—Before leaving Scotland each head of crofter family was given an agreement known to the Board, and which each and every head of crofter family has acknowledged to me they received. This paper of conditions was read and explained to them in Gaelic and accepted before the Board would assist them to this country. In addition to having carried out every promise made therein, the Board has extended extra loans to these people, and in every way possible their welfare has been attended to since their arrival in this country.

3. "When we arrived at the said place we found the inhabitants of Saltcoats very kind indeed, but in the first place there was not the least accommodation there on our arrival, except a small kind of shed, built in the name of an immigrant shed, and a few railway tents which would not contain a third of the people. Therefore, some of us were obliged to stop in cars for three weeks, some six and seven families in each during that time. Families came to a very unhealthy state for want of accommodation."

Remarks.—In addition to the immigrant shed (accommodation for 25 families) 28 tents and three cars (in which had been placed bunks for the use of crofters) were supplied. Some of these people could not be prevailed upon to perform proper ablutions, consequently became unhealthy. Had the men gone to their homesteads when desired they would not have been in Saltcoats this length of time, and would have left more room for women and children in shed, cars, and tents.

4. "During that time each head of family was kept unloading cars of wood, until we protested against such deliberate attacks. After that some of us got 1 dollar 80 cents., and the majority none at all, after being kept all that time there."

Remarks.—The crofters were urged to bestir themselves unloading cars of lumber, which had been provided for their houses, &c. ; had they not done so, it would have been necessary to hire help, and the payment would have been charged to Crofters' Account. As it was, Mr. Grant M'Kay offered those crofters who were willing to work 10 cents. an hour, one of themselves being appointed foreman and timekeeper. Some of them earned 2 dollars per day. As the scheme is a *pro rata* one, the money paid for unloading had to be charged on the lumber.

5. "The secret of our new homes was kept dark on us until sowing season was over, and after that we were forced to leave with our families, and live in ragged tents on the open prairie."

Remarks.—Before the arrival of the crofters their land had been selected, and each family's location marked by flags. Upon their arrival guides were furnished to take each crofter to his land, and he was shown the most suitable spot to dig his cellar and well. Many of them refused to accept the land chosen, and lost valuable time looking for other locations, ultimately choosing those with fewer advantages than homesteads already selected. Whereas, had they willingly commenced the work prepared for them, the carpenters would have been able to build their houses at once, while the crofters themselves might have been in the tent provided for each head of family, and their wives and children have had more room in accommodation supplied them at Saltcoats ; but while they refused to dig the cellars the houses could not be built.

6. "We were demanded by these officials to carry timber a distance of nine miles, not knowing where our houses and lands would be, and unless we would obey their orders we would not even get as much meal as would make one scone of bread ; and when we obeyed their orders we would get inferior oats and flour-meal and bacon, &c., and of the wildest class that could be found in the Dominion of Canada, to the amount of 4 *l.* worth, and the most of this was eaten up by vermin, and destroyed by wind and rain. And, worst of all, if we would not take that lot we would not ger any at all. All the money that was granted to us was spent in this manner, by leaving some of the people now on the eve of slow starvation. We sent a letter to the "Weekly Mail," Glasgow, in which you would see our daily allowance ; but we had no reason to complain then in comparison to the state in which we are now."

Remarks.—Waggons and oxen were provided, and the crofters had to cart their own lumber for the same reason that they were expected to unload cars, viz. : had they not performed the work, the hire of other men would have had to be charged up to lumber account. They were never refused food ; and the oatmeal, flour, bacon. &c., was of the best obtainable in the country, and, as is the case with all other goods, were supplied to crofters at a lower rate than anyone else in the locality could get them. At the date this letter was written (20th February) the daily allowance was as follows :—

Men : 1 lb. flour ; ¼ lb. oatmeal ; ½ lb. bacon or 1 lb. beef ; ½ oz. tea. Women : same. Children : ¼ lb. oatmeal each. Also, 1 packet yeast gems ; 1 gallon coal oil per family per month.

No complaints were ever made to me that food was destroyed by wind and rain or eaten by vermin, for the reason that if such was the case the owners themselves were to blame, and must have been too careless to take proper precautions against such losses.

7. "And now, as we left our native homes under the impression of bettering our position, we should thank Sir Charles Tupper by sending us to a place where we cannot find a day's work to raise our living, especially to a place where the old settlers that came here six and seven years ago with some capital, are now obliged to leave as we may say penniless, and that owing to summer frosts, which are frequent here even in the month of June."

Remarks.—At different times the greater number of the crofters have distinctly told me that they would not return to Scotland under any consideration, as they are convinced that in a very few years they will have repaid the Board their indebtedness, and will be independent men, with a good farm and stock around them ; also, that their wives and children have been in excellent health ever since they came to this country. Each of the four men who have signed this petition has beem offered work. Three refused ; No. 8, Norman M'Rae accepted ; but when home, he is continually going round with petitions, &c., amongst the crofters. I have seen a great extent of this country, and do not consider that there is any part of Manitoba or North West Territories better adapted for mixed farming than the "Lothian Colony." My assertion is based upon the practical knowledge I have acquired whilst living and travelling through the above provinces for over fifteen years, and I can safely say that summer frosts are not more frequent here than in any other part of Manitoba and the North West Territories. Here, as in every other settlement, there are discontented and discouraged settlers, and while the crofters are listening to their unhappy experiences, they forget that their misfortunes are generally caused by thriftlessness and inability to work, neglecting to fence their land, and care for their stock properly. Most of the crofters have already set the above settlers a good example regarding attention to stock and improvements upon their homesteads.

8. "We were not at all thinking that we should be make our fortunes here without meeting these troubles on some occasions ; but where the evil is is this : that we were sent to a place where we cannot get work, and each and all of us anxious to get it. We were never accustomed to anything else but work, and we are now opening our eyes on the place, and looking for the first chance we can get."

Remarks.—Although work was scarce in this and other parts during the winter most of the crofters coald have earned money by carting firewood into Saltcoats, but the majority distinctly refused to do so, and many would not even go to the bush and cut rails for their own fences. Since this letter was written, however (20th February), almost all heads of families and young men have left the colonies for work, and the women are in charge of the crops.

9. "We petitioned Lord Lothian six or seven weeks ago, and got no reply. Trusting his Lordship will give due consideration to our petltion, we are your faithful crofter Highlanders,"

(signed) No. 11. *Chas. Docherty.*
„ 42. *Alex. Young.*
„ 8. *Norman M'Rae.*
„ 24. *Malcolm M'Donald.*

Remarks.—The answer to the above petition was received by me from Mr. Colmer, and handed to No. 8, Norman M'Rae, accompanied by the following letter :—

Dear Sir, Saltcoats, 19 April 1890.

Enclosed you will find a communication received by me from the Secretary, Imperial Colonisation Board, *re* your petition of last December.

Yours truly,

Norman M'Rae, King Colony, Saltcoats. (signed) *G. Betts Borradaile.*

Copy of Letter from *Thomas MacNutt* to *G. B. Borradaile*, Esq., Agent I.C.B., dated Saltcoats, 19th July 1890.

Dear Sir,

As you have requested me to tell you what I know about the crofters settled near here, I will give you some details from personal observation.

Mr. Eden, Land Commissioner of the M. & N.W.R. Co., in whose employ I was as Local Manager of the Commercial Colonisation Co., notified me last spring to drop all other work and assist in the settlement of some 49 families of crofters who were expected shortly to occupy homesteads previously favourably reported on by G. A. Hill, one of the most experienced land guides in Manitoba or the North West Territories.

To prepare for their reception I had the Company's Immigrant Reception House got ready, and erected a number of tents loaned by the Government, the Commercial Colony, the Railway Company, and the mounted police.

I also

I also took up a subscription from the citizens to give them a good warm breakfast, after their long trip, and otherwise try and show that they were welcome.

After their arrival, and while they were resting, Mr. Eden and staff were busily engaged, often till 12 o'clock at night, in learning from them who wished to be neighbours, and arranging from the reports where they were to be settled.

In the meantime a committee chosen from amongst them by themselves was sent at the Company's expense over the lands, and whose report on their return was highly favourable.

It was found necessary to locate the crofters from the different parishes together, as well as group the different families who were connected as old neighbous as near as possible. To effect this the Railway Company gave up some of their best lands which lay between the different Government sections.

The cattle had arrived, several car-loads, but it was found that after taking the cost of passage and living giving them a cow or two, a year's provisions, seed grain, a house, tools, &c., from their grant of 120 *l.*, there would not be sufficient to do more in all cases than give each two families a yoke of oxen and harness, a plough and waggon. As this would be a great drawback to them, the R. R. Company advanced sufficient to procure, in connection with the Government grant, each head of family a yoke of oxen and harness, and a plough, leaving a waggon between two heads of families, which was sufficient, if they would work together and agree. On this account partnerships had to be struck, after which lumber was loaded on the waggons, and land guides sent with them to the different homesteads. I may say here that much time was lost by their continual wrangling over their oxen, and also that if they did not like the ones allotted to them they were allowed to choose others in their place.

The trouble now commenced. One thought there was too much lumber on his place; another too little; the same with plough-land and hay-land; and the partners commenced to disagree. A great many seemed to take pleasure in throwing obstacles in the way of their own speedy setttlement, whilst others were well satisfied, and got to work immediately. At last all were supposed to be comfortably settled, but one man (since sent to jail for cruelty to animals), and the office work being about finished, it was my intention to spend a couple of weeks amongst them, camping in a tent, and show them how to drive their oxen, fix their ploughs, and otherwise practically assist them; when to my surprise 14 heads of families returned to Saltcoats, and said they were not satisfied with locations, and wanted to see more of the country. I gathered that they wanted all prairie land, and to be near a lake. I then hired teams and took them west of Saltcoats about nine miles, towards Leech Lake. This country they said was "what they came out for," and after about three days I got them finally located. This locality consisted of high rolling prairie, rather light soil, but plenty of hay on one side, and timber and a large lake on the other; but was in my opinion far inferior to the selections made for them, although well suited for settlement.

Valuable time had thus been lost, as they had drawn their lumber to their first places, about nine miles north of Saltcoats, and had now to haul it nine miles west. The consequence was that they were too late to put in much seed, and had to do what was done hurriedly and roughly. They become discontented and moody, and were assisted in this feeling by some of the older settlers, who wished to keep the country sparsely settled so that they could selfishly appropriate all the hay and timber that would have to be divided with the new comers. The season, also, althongh it opened well, turned out too dry, especially for late sown crops on roughly broken prairie sod; but in any case the very small patches put in by the crofters would not in any season have produced enough for them to live upon.

As this is a new settlement, and nearly every one does his own work, the Agent in charge, as well as Mr. Eden and myself, corresponded with farmers and others in the older settlements, and procured employment for numbers of them; but the season being a dull one wages were not high, except for girls, and double the number of them could easily have been placed; but later on work was offered to all, which was generally refused.

Still later the Railway Company decided to grade 17 miles of road bed, and employ none but settlers in the vicinity. I had considerable to do with this work, and offered the crofters both day work and piece work, but could hardly get one to accept it. At last Mr. Colmer, at whose request I had received some work for them, gave me in certain names. He then left, and I waited a week for them before they turned up. They were given their choice of three pieces, and, against advice, decided on the one with most work and least money in it; but still if they had worked they could have made fair wages at it. This the engineer in charge has testified to.

They, however, stated that they did not come here to work on railroads, but had been forced out, and would just put in their time. They were warned that if they did not show signs of going on with some show of industry, that, having commenced, teams would be put on the work and all expenses charged up; or else they had better throw it up, take a settlement for what they had done, and while there was yet time, before frost set in, it could be finished at a profit with hired teams and men. But they would neither work at it properly nor give it up, till the ground froze, when they abandoned it, and teams had to be hired to move frozen ground at a great disadvantage, and the cost charged up to the crofters, who had taken the piece. This cost was over five times what it would have been if done before frost. The consequence was they came in debt 25 dollars, having received about 30 dollars' worth of provisions, and the contractor would have lost much more by them, but that the company, knowing the circumstances, took it off their hands in an unfinished condition.

To substantiate my statement I refer you to the engineer and staff, Mr. C. E. Dancer, and parties who had similar jobs in the same vicinity, and made upwards of 4 dollars per day each, such as Messrs. Fraser, Meil, McVicar, Rettray, &c., all new Scotch and Orkney settlers.

I above refer to only one party. The second party did a little better, but did not work satisfactorily, so were offered 100 dollars for their work, which they accepted, in time for others to finish before frost. After deducting provisions advanced, scraper rent, and cash already paid, they received the balance, 53 dollars 75 cents.

Now comes a more pleasing state of affairs, concerning crofter R. R. work.

Donald Murray and partner, who received 1 cent. per yard less than the two former parties were paid 34 dollars 93 cents. for eight days' work (some only part days), after deducting some provisions and scraper rent.

MacKay and three others received 87 dollars 75 cents., besides paying for their scrapers, and now owning them, out of their work, although they made a serious blunder in their dump, and lost some time on that account.

John McLean was paid 7 dollars 20 cents. for 4¼ days' work, without his oxen, or 1 dollar 50 cents. per day.

Several other crofters worked for over a month at 1 dollar 50 cents. for one of the contractors, and got their pay. A number of them gave good satisfaction; others again were only in the way. This is enough about the R. R. work.

Last winter, after January, a crofter boy, John McKay, earned over 50 dollars drawing firewood to Saltcoats.

This boy is now employed by me on my farm for one year at 72 dollars and found. This boy's father is arranging to buy two cows out of earnings.

Yesterday I paid John McLean 15 dollars for five days' work with his oxen, and not a day passes but farmers are applying to me for farm hands, for various terms, at from 15 dollars to 25 dollars per month and found; but none will go out to work that have not already gone.

At the present time they look much more promising. Those of the crofters, and there are a number of them, who put in crops properly and early, will surely reap the benefit, as they (the crops) look magnificent; none better in the country, and it looks well everywhere. Their cattle look well, and are well cared for (it is a great pity that the best of the crofters could not be allowed a couple of cows more), and their prospects are good.

And I am sure they will make successful settlers if they are not pampered too much, with the exception of the shiftless and complaining ones.

With regard to the food and articles they got from the Government, I can only say that everything was cheap and of good quality and sufficient, and I do not speak without knowing something about it.

I have heerd old settlers remark they they wished they could claim they were crofters in order to get reduced prices, for instance :—

Waggons - -	Retail price - - -	75 dollars.
	Charged crofters - -	66 dollars.
Bacon - -	Retail price - - -	14 cents. per lb.
	Charged crofters - -	11 cents. per lb.
Oatmeal - -	Retail price - - -	3 dollars 75 cents. to 4 dollars per 100 lbs.
	Charged crofters -	3 dollars per 100 lbs.
		&c. &c.

To conclude this long letter, I can say that the crofters have no cause to grumble, but rather to feel under obligations for the trouble and expense that have been incurred for them ; and also that, after 15 years experience as a practical farmer in the country, I believe that the locality they are placed in is second to none, and inside of two years they will own that it is so.

Yours, &c.
(signed) *Thomas MacNutt*, Local Agent.

Another Matter.—I have visited the crofters in the depth of winter, and found they often had to open the doors for a while as the houses were too warm.

(signed) *T. MacN.*

LETTER from the Colonisation Board, Dover House, Whitehall, S.W., to the Right Hon. Sir *James Fergusson*.

The Colonisation Board, Dover House, Whitehall, S.W.
16 February 1891.

Sir,

The attention of the Colonisation Board has been directed to a letter addressed to Dr. Clark, M.P., by some of the members of the crofter settlement at Saltcoats, and by him handed to the Select Committee on Colonisation, of which you are the chairman. The letter is dated 1st November last, and is signed only by five of the crofters, Robert McKay, Alexander Young, Kenneth McIvor, Alexander McDonald, and Charles Dockerty, out of the 33 families remaining in the settlement.

The letter in question was considered by the Colonisation Board at a recent meeting, and I am instructed to state that the majority of the complaints are a repetition of those which were formulated in the early part of 1890. At the request of the Colonisation Board, I gave evidence before your Committee in July last, and was examined with regard to some of the complaints in question. I am now directed to send you a copy of a memorandum which I prepared, at the time, on the matter, with a supplementary memorandum from the agent of the board at Saltcoats, and a further memorandum from him, upon a letter which appeared in the "Scottish Highlander" of 27th February 1890, in which other of the complaints were made public. I also forward a copy of an interesting letter from Mr. Thomas McNutt, a practical farmer living in Saltcoats, who was, in 1889, acting as a locating agent for the Commercial Colonisation Company, and, in that capacity, had much to do with the crofters.

It will be seen from the second report of the Board, which will shortly be presented to Parliament, and of which a copy has already been sent to you confidentially, that some of the crofters who signed the letter, stated to the Scottish delegates, who visited the colony about the same time as Dr. Clark, that they would not leave the colony under any circumstances ; in fact, they appeared to be quite satisfied with their position, having surmounted the difficulties necessarily connected with settlement in a new country, and entire change of living and of work.

Upon some of the matters referred to, the Board have no information at present, but they have been referred to the Honorary Sub-Committee of the Board in Winnipeg for inquiry, particularly with regard to the complaint about Donald Montgomery's oxen, to the remarks about the Agent, to the complaints about the accounts, and to the statement that another store offerrd to supply the crofters with flour at a lower price than that at which it could be obtained from Messrs. Buchanan and Company. As soon as a reply reaches the Board, it will be forwarded for the information of the Committee.

With regard to the remarks about the Agent of the Board I may say, in passing, that Mr. Borradaile was in the Government service prior to being appointed to his present position in July 1889, and that when there was some doubt as to his securing the position, the whole of the crofters signed a petition, speaking in the highest terms of his kindness to them during the time he was assisting the first Agent of the Board, and expressing the hope that he would not leave them.

With regard to Robert McKay's statement in the last paragraph but one of the letter, that he was driven out to the wilderness with four of a family under nine years of age, with dry corn, one sack of bad flour, one sack oatmeal, some quantity of pork, and some bad tea, I quote for your information a copy of the account, showing exactly what Robert McKay took out with him from Saltcoats, as follows :—

Order, No. 484, on Messrs. Buchanan and Co., Saltcoats. Favour of Robt. McKay, Lien, No. 28.

	Dols. cts.		*Dols. cts.*
Bag oatmeal - - - - -	3 0	Box matches - - -	– 20
„ flour - - - - -	3 30	Soap - - - - -	– 20
50 lbs. bacon - - - -	5 75	20 lbs. rice - - - -	1 15
8 „ sugar - - - - -	– 68	3 tins baking powder - -	– 84
5 „ tea - - - - -	1 58	1 lb. butter - - -	– 18
25 „ salt - - - - -	– 70		
1 „ pepper - - - -	– 26		$17 84 = £.3. 13. 4.

(signed) *J. Grant Mackay*, Agent.

Received above in good order,

(signed) *Robert McKay.*

The

The Board have never had any complaint about milk, such as that referred to by Robert McKay. Some of the cows did not turn out as well as expected, but this may have been in consequence of the railway journey to Saltcoats, or of indifferent treatment by the crofters when they got the animals. I may say, however, as a matter of fact, that in all cases where the cow supplied did not give a sufficiency of milk, another one was loaned to the family, in order that there might be no grumbling, and the cows so lent have never been taken away. Indeed the principal complaint made to me when I visited the settlement was that some of the families possessed two cows while others had only one.

The circumstances under which the Agent declined to give more provisions until the crofters had signed their liens probably arose in this way. The Agent was able to show vouchers for every dollar that had been expended on the crofters, similar to that quoted above in the case of Robert McKay, and, in the majority of instances, these vouchers bore the settler's signature. If the crofters refused to give security for the monies which had been expended, and which could be properly vouched for, the Agent would, I think, be justified in stating that in the circumstances he could not permit them to increase their indebtedness to the Board until the matter was disposed of. If some pressure of this sort had not been brought to bear, the liens and mortgages might have remained a disputed question until now.

I am also to transmit a copy of the first report of the Board on the settlements at Killarney and Saltcoats, to which is attached a copy of my report to the Board, on a visit to the crofters in the autumn of 1889, made at the request of the Colonisation Board.

I am, &c.
(signed) *J. G. Colmer.*

The Right Hon. Sir James Fergusson,
&c. &c. &c.

APPENDIX, No. 7.

PAPER handed in by Mr. *C. Lucas.*

EXTRACT from a Report of the Honourable the Executive Council of *British Columbia*, approved by His Honour the Lieutenant Governor on the 30th day of October 1888.

* * * * * * *

THAT Mr. Alexander Begg be authorised to submit both propositions to the Imperial Government, and, in the event of either being accepted, to report the same to the Government of British Columbia, it being expressly declared and understood that no scheme or proposition whatever shall be concluded without the express assent of both the Lieutenant Governor in Council and the Legislature of British Columbia.

APPENDIX, No. 8.

PAPER handed in by *Mr. Seton-Karr* (a Member of the Committee), 27 February 1891.

State-Directed Colonisation.

House of Commons, Westminster, S.W.,
18 April 1887.

Dear Sir,

The Colonisation Committee of the House of Commons would be glad of any information from you on the following points, which you are kindly requested to post to the Secretaries, if possible before Wednesday, 11th May 1887.

1. Are there any lands in your colony that can be obtained, and are suitable for Colonisation purposes?	
A. What is the area (roughly speaking) of such lands?	
B. What is the nature of the soil (*i.e.*, agricultural or pasture) and climate?	
C. What are the conditions, whether in free grant or otherwise, under which such lands can be obtained?	
2. Assuming that capital required to colonise such lands will be secured as a first mortgage on the land and improvements, are you prepared to recommend or entertain any proposal by which your Colonial Government will guarantee the interest of such capital?	
3. Generally, are you in favour of any form of State-aided or State-directed Colonisation?	

N.B.—The Committee earnestly request your careful attention to this important subject, and the best information that it is in your power to give. To economise time and space, no elaborate details are at present required, but only answers (as approximate as possible) to chief and leading points.

The following are the guiding principles which the Committee in developing and bringing forward any Colonisation scheme desire always to keep in view:—

1. No action without the consent and co-operation of the colony whose lands it is proposed to colonise.
2. Careful selection of suitable persons (including families and children) as colonists.
3. Suitable provision for the reception, location, and maintenance of colonists until the reaping of the first crop.

Yours faithfully,
H. Seton-Karr,
H. L. W. Lawson,
Secretaries.

To _____

COLONISATION COMMITTEE.

SUMMARY OF REPLIES FROM COLONIAL REPRESENTATIVES.

	CANADA.	S. WEST AUSTRALIA.		SOUTH AUSTRALIA.	VICTORIA.	QUEENSLAND.	TASMANIA.
	Sir A. Campbell (Lieutenant Governor of Ontario).	Hon. J. Forrest, C.M.G. (Commissioner of Crown Lands).	Hon. Septimus Burt.	Sir T. W. Downer (Premier).	Hon. A. Deakin. (Chief Secretary).	Sir J. Garrick, K.C.M.G. (Agent General).	Hon. Adye Douglas (Agent General).
1. Extent of land; nature of soil.	Two hundred million acres, all kinds; climate severe in localities, but healthy.	Many thousands of acres, agricultural and pastoral.	Thousands of acres, agricultural and pastoral; climate, temperate and tropical.	Agricultural land all taken up. Pastoral land may be had 250 miles north of Adelaide.	"Grazing areas" and "agricultural allotments" eight and a quarter millions of acres. Climate temperate.	Two hundred million acres, much of which is suitable. Agricultural and pastoral; climate healthy.	Thousands of acres. Good agricultural land, but generally heavily timbered. Climate very good.
2. Conditions of occupation by free grant or otherwise.	Free grant of 160 acres, and right to purchase adjoining 160 acres at a small price.	No free grants; but on deferred payment of 6*d.* an acre for 20 years.	By purchase (under the land regulations).	——	By purchase. £.1 an acre payment extended over 20 years without interest. Pastoral land leased for 14 years at from 2*d.* to 4*d.* an acre, when it reverts to the Crown, on payment of certain allowances for unexhausted improvements.	By selection. Occupation and improvement at such rates as the land board may fix.	Selected at 1*l.* per acre, payable by instalments in 14 years, when grants in fee are given.
3. Colonial guarantee.	Correspondence invited with Canadian Government on this point.	No.	No. The Imperial Parliament should give any required guarantee.	——	Would be anxious to help, but is very doubtful if scheme could be devised to overcome practical difficulties.	Does not think this proposal would be entertained.	No, as there is a continual demand for this land.
4. General - -	In favour of State-aided colonisation, and appointment of trustees to secure repayment of advances.	In favour of State-aided colonisation.	In favour of State-aided colonisation.	In favour of the principle of colonisation.	States that there are great facilities for colonisation, although no State assistance is now given.	Land laws do not permit alienation in the way desired by State-directed Colonisation Society.	Thinks State-aided colonisation might be made mutually advantageous under proper arrangements.

House of Commons, Westminster, May 1887.

H. Seton-Karr,
H. L. Webster Lawson, } Secretaries.

STATE-DIRECTED COLONISATION.

MEMORANDUM BY THE PARLIAMENTARY COLONISATION COMMITTEE.

A Colonisation Committee of both Houses of Parliament was formed on 11th February 1887, composed of Members in favour of the principle of State-directed Colonisation; and with the object of formulating and pressing on the attention of the Government and of Parliament a well-considered and practicable scheme. During the Session of 1887, this Committee—now numbering 32 Members of the House of Lords and 135 Members of the House of Commons, of all shades of political opinion—considered various proposals, and collected and examined a large amount of information based upon the experience of some existing Colonisation experiments. The scheme appended hereto is the result, in outline, of the Committee's investigations, which they desire to present for examination and practical development.

It is not possible within the limits of a short Memorandum to enter into all the considerations which have influenced the Committee in arriving at their conclusions, but the following main points have been kept in view:—

1. Colonisation, and not emigration, is the active principle of the scheme. This vital distinction is not always clearly recognised in the public mind. Emigration is merely the transfer of surplus labour from the Mother Country to the Colonies, and, by itself, cannot be recommended as the foundation for any national action, involving, as it does, increased competition in our colonial labour markets, without necessarily developing colonial resources or improving the condition of the emigrant. Colonial Governments could not be expected to assist in any national scheme of emigration, as emigration unassisted by the State is now sufficient to meet the wants of colonial labour markets. Emigration, therefore is not specifically advocated by the Committee. Colonisation, on the other hand, is the settlement of unoccupied colonial lands; and includes not only cost of passage, but also expenditure on land, as well as the equipment and temporary maintenance of the colonists. This system, judiciously carried out, will enable the assisted colonist, ultimately, to become a resident freeholder, and, in the opinion of this Committee, can be developed into a sound national scheme, which will mutually benefit both the Mother Country and the Colonies, by increasing the area of cultivation, expanding markets for home manufactures, indirectly increasing the prosperity of colonial cities and towns, and directly promoting Imperial and Colonial Trade.

2. Nothing is proposed to be done without the assent and co-operation of the Colonial Governments, who are to be represented on the Colonisation Board. It is suggested that this co-operation should consist of (A) selection and approval of intending colonists, and (B) provision for placing at the disposal of the Colonisation Board the necessary land, as hereinafter more fully explained. It is not proposed that the Colonial Governments should assume any share of responsibility in the Imperial guarantee of interest, or incur any pecuniary liability whatsoever.

Attention is also requested to the following remarks:—

(1.) The scheme is in bare outline, and contains little more than leading principles. Until these are finally approved it has been thought best to avoid encumbering it with too much detail.

(2.) The pivot of the scheme is the guarantee of interest by the Imperial Government on capital, to be subscribed by the public for investment by the Colonisation Board in the reproductive operation of settling and improving colonial lands. This capital will be secured as a first charge on the lands so settled and improved. Actual payment of the guaranteed interest by the State will probably not be required after the second year; for then it is expected that payments by the colonist will more than suffice to pay interest to the investor. But some such guarantee is absolutely necessary in order to give security and attract capital.

(3.) The Committee attach the greatest importance to their suggestion in Clause (6) of the scheme, and would venture to propose, as a practical method of carrying the suggestion into effect, that Colonial Governments should give to the Colonisation Board the right of pre-emption, where such right exists, of the adjoining land to any free grant farm, without payment, or what would be still better, grant to the Board a block of land of sufficient size, half of which should be for settlement, and the other half for sale without conditions as to settlement. The Committee desire to point out that similar concessions have already been granted in the case of railway companies.

Finally the Committee believe that the scheme appended hereto, which leaves minor difficulties and points of detail to be dealt with by the proposed Controlling Authority or Colonisation Board, is well worthy of the consideration of Colonial Governments, to whom they now desire to submit it for the purpose of ascertaining their views. The Committee are aware that circumstances vary in different colonies. How far these circumstances may influence the general principles of the scheme is a matter for each colony to determine; and on this point it is hoped that particular information will be given. The chief aim of the Committee is to ascertain in what manner co-operation can best be secured, being fully convinced that the promotion and development of colonisation will be mutually advantageous both to the Mother Country and the Colonies, and most beneficial to the prosperity and strength of the whole empire.

THE SCHEME.

(1.) *Controlling Authority.*—Colonisation Board (with Imperial and Colonial representation).

(2.) *Capital to be raised by*—Public subscription to a "colonisation land rent-charge stock"; interest at 3 per cent. per annum to be guaranteed by the Imperial Government for a term of 30 years.

(3.) *Class of Colonist.*—Preference to be given to colonists who contribute towards outlay.

(4.) Colonist after second year to pay 4 per cent. on amount advanced secured by a rent-charge; with or without an extra 1 per cent. for contingencies.

(5.) Rent-charge to be redeemed by colonist within 30 years.

(6.) Colonial Government to give land free or on the most favourable terms for settlement; with power to create a rent-charge where necessary.

W. H. Houldsworth, Bart., Chairman.

Sandhurst, *Monkswell*, } Secretaries for the House of Lords.

H. Seton-Karr, *H. L. W. Lawson*, } Secretaries for the House of Commons.

Houses of Parliament,
1 May 1888.

TABLE OF COLONISATION SCHEMES.

	1. Mr. Alfred Simmons (Secretary of the National Association for Promoting State-directed Colonisation).	2. Mr. H. Kimber, M.P.	3. Mr. J. Rankin, M.P.	4. Mr. Arnold White. (Scheme in operation so far as the private enterprise is concerned.)	5. Scheme based on the Experience of the East London Colonisation Society.	6. Right Hon. G. Osborne Morgan, M.P.
1. Approximate cost of family of five persons	Maximum cost for most distant colony:— 1. Passage and railway fares £. 45 2. Buildings 30 3. Implements, seeds, and stock 25 4. Maintenance, &c., for one year 50 Total 150	Maximum cost for most distant colony:— £. 60 110 80 50 £.300	£. 18 50 60 42 £.170	£. 35 12 100 77 £.224	£. s. 30 – 30 – 57 10 20 – £.137 10	From 100*l.* to 160*l.* per family.
2. Portions of the British Empire which it is proposed to colonise.	Above estimate for { Australia. New Zealand. Tasmania. 130*l.* - for S. Africa. 110*l.* - for Canada.	Cape Colony Frontiers. Natal. West Australia. Queensland. New Zealand. Canada.	N.W. Canada.	South Africa.	N.W. Canada (Moosemin, Province of Assiniboia).	Canada.
3. Size of farm. *N.B.*—Generally speaking, only land fit for agriculture is taken into consideration.	80 acres - Free allotments. (Alternate 80 acres, of the 160 acres free grant, to be held in reserve).	50¼ acres per family (generally in free grant; in some colonies at a nominal price per acre).	160 acres free grant. Pre-emption right to 160 acres more.	20 to 50 acres (agricultural), and use of common grazing land.	160 acres, free grant, per family, with rights of homesteading.	160 acres, free grant, per family.
4. Number of families proposed to be dealt with.	Say 100 families per settlement, steady yearly supply afterwards, regulated by the amount of capital raised and by progress of arrangements for reception of colonists.	100 families in one settlement (5,025 acres).	In lots of 10 families; number of lots or settlements to be regulated by amount of capital and land.	Say 25 families per settlement. (Does not believe in one large scheme so much as numerous smaller ones.)	100 families first year; 50 families (or more) each following year.	1,000 families.
5. Total amount of capital required to start with.	2,000,000*l.* - first year. 1,000,000*l.* - second year.	30,000*l.* per settlement, or 300,000*l.* per 10 settlements.	1,700*l.* per 10 families.	5,600*l.* per 25 families.	15,000*l.* per 100 families.	From 100,000*l.* to 160,000*l.*

6. (*a*) Method of raising capital.	(*a*) Public loan, with interest guaranteed by Imperial Government.	(*a*) Public issue in London, of a stock to be called The —— Colony Land Rent-Charge Consols.	(*a*) Shares in a chartered corporation and State grant or loan of 10*l.* per head.	(*a*) 1. Private enterprise. 2. Public loan with interest and sinking fund guaranteed by Home Government.	(*a*) Shares in a limited liability company, with 2½—3 per cent. per annum interest, guaranteed by Imperial Government.	(*a*) One-half by private subscription, with or without assistance from colony, one-half by public loan with interest guaranteed by Home Government.
(*b*) Rate of interest to capitalists.	(*b*) 2½ to 3 per cent. per annum.	(*b*) 4 per cent. per annum.	(*b*) No rate guaranteed to shareholders beyond profits; 2½ per cent. paid to State for loan.	(*b*) On public loan 3 per cent.	(*b*) 4 per cent. per annum.	(*b*) On public loan, 3 per cent. per annum guaranteed; on private subscription, 4 per cent. not guaranteed.
(*c*) Method of paying or securing interest.	(*c*) "Acceptance fees" from colonists; 4 per cent. rent-charge on land and improvements; and State guarantee.	(*c*) 4 per cent. rent-charge on land and improvement; collected and guaranteed by Colonial Government.	(*c*) Interest on 12/17ths of cost on mortgage at 6 per cent. (under Canadian Land Act, 1886).	(*c*) Mortgage on land and chattels; and State guarantee.	(*c*) Mortgage on land and improvements (under Dominion Lands Act, 49 Vict. c. 27, s. 38).	(*c*) 3 per cent. State guarantee for public loan; 4 per cent. rent-charge for private subscription.
(*d*) Annual payment by settler.	(*d*) 16*l.* { 4 per cent. interest on 150*l.*; 10*l.* repayment of capital.	(*d*) 12*l.*, being 4 per cent. on 300*l.*	(*d*) { 6 per cent. on 12/17ths of cost (120*l.*) = 7*t.* 4*s.* - - - £. s. 8 9; 2½ per cent. on 50*l.* (10*l.* per head of family = 1*l.* 5*s.* -; Gradual instalments in repayment of principal.	(*d*) 3 per cent. on cost £. s. 6 14; ½ per cent. on sinking fund - 1 2; £.7 16	(*d*) 6 per cent. on 120*l.* = 7*l.* 4*s.* Instalments of principal.	(*d*) 4 per cent. on cost.
7. Profits over interest (if any).	A ten years' calculation shows a surplus profit on 2,000,000*l.* of 97,000*l.*	All to go to settlers, being represented by increased value of land improved by industry of settlers.	All profits to go to shareholders.			
8. Repayment of capital.	Repayments used again for colonising.	Principal not repayable; but rent-charge redeemable at option of settler, in same way as redemption of land tax in England.	Capital to be repaid by gradually increasing instalments in 20 years.	½ per cent. sinking fund, spread over 50 years.	By instalments after third year.	
9. Controlling authority.	Colonisation Board (with Imperial and Colonial representatives).	Colonial Government.	Corporation under charter from Home and Colonial Government.	Private management.		Home and Colonial Governments.

House of Commons, S.W.,
May 1887.

H. Seton-Karr,
H. L. Webster Lawson, } Secretaries.

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